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NEWS SUMMARY

Monday November 19 1979

SURVEYORS VALUERS AND AUCTIONEERS OF REAL ESTATE

01-629 9292

CONTINENTAL SELLING PRICES: AUSTRIA Sen 15; BELGIUM Fr 25; DENMARK Kr 4.25; FRANCE Fr 4; GERMANY DM 2.0; ITALY L 700; NETHERLANDS FI 2.0; NORWAY Kr 4.25; PORTUGAL Esc 35; SPAIN Pts 80; SWEDEN Kr 3.75; SWITZERLAND Fr 2.0; EIRE 200

BUSINESS

TUC row

feared if

Rolls is

hived off

. NATIONAL ENTERPRISE

Board'a links with Rolls-Royce

could spark a major confron-

if Rolls were removed from the

• FEW TAXPAYERS saved thair October rebates according

to the latest FT survey on con-

sumer confidence. About 44 per cent spent them, 13 per cent saved them and 35 per cent said

they bad not yet received a

rebate. The survey also shows confidence falling lower than last winter. Page 6

• ECONOMIC GROWTH in the

· CIVIL ENGINEERING com-

panies are receiving fewer orders than six and 12 months

ago, an industry survey shows.

• THE FRENCH FRANC ended the week at the top of

the European Monetary System

league-table for the first time.

Italian lira came second equal, with the lira aided by expectation of a rise in the Bank of Italy's discount rate soon. The Danier currency at the Chili-

E N S November 16, 1979

ECU Divergence

O OFFSHORE OIL exploration

licences are expected to be

announced this week, but the

be fewer than hoped. Page 4

• THE SUNDAY TIMES Was

• CHARTERHOUSE GROUP is floating 60 per cent of its subsidiary Spring Grove Securi-

tiea to raise £9m-£11m. Page 20

GRID

NEB Back Page.

GENERAL

Zambia link to coast is cut

could spark a major confrontation hetween Government and TUC. The Chancellor, the Industry Secretary and the Employment Secretary have had talks with Mr. Len Mnrray, TUC general secretary, to discuss problems that would arise Landlocked Zambia's remaining road and rail links to the coast were cut when Rhodesian troops destroyed bridges, cutting its main route through Rhodesia to South African ports.

The raid, which has not been officially acknowledged in Salisbury, cama despite all-party agreement on pre-independence arrangements at the Lancaster conference, which delegates to begin talks on a ceasefire in the guerrilla war.

Rhodesian Premler Bishop Abel Muzorewa returned from the conference to Salisbury yesterday to be greeted by a crowd of 30,000 at the airport. He left armed forces commander Gen. Peter Walls to continue the ceasefire negotiations in London. Back Page

Commons spy debate likely

The Speakar is expected today to announce a Commons debate the case of Professor Anthony Blunt, named by the Premier as "fourth man" in the Burgess-Philoy-Maclean spy

Blunt, the Queen's former art advisor, stayed in hiding, but rates eased slightly after Parisald in a statement to his sold liter that be intended to stay in the UK and would well after the Danish krone and the Danish k come a full inquiry.

Ulster devolution

Northern Ireland Secretary Danies currency 517 fumphrey Atkins is expected from a report that Dentality from a report that Dentality on devolution policy in Ulster of the Parliament tomorrow. It there is no economic frame was ls understood, to contain about ment soon. Belgian franc was six proposals for discussion at a conference on Northern Ireland planned in December. Back

2 die in shooting

Two women were killed and at least eight people were injured when a gunman opened fire on spectators at an international cross country run ln Belgium. A man, reported to be a patient at an Antwerp psychiatric bospital, was arrested. .

Ripper apology

The Yorksbire Ripper apologised for murdering 16-year-old Jayne MacDonald, his sixth victim, in one of the three letters released by West Yorkshire police as part of the flm publicity campaign to catch the killer.

Mother killed

Mrs. Monica Aigbe; 26, was stabhed to death in front of her eight month-old baby 75 yards from her home in Hackney,

Evacuation delay

Israel Government backed away from confrontation this week with Jewish settlers at Eilon Moreh on the occupied West Bank by putting off their evacuation for another six weeks, and ordering that only a small portion of land be vacatad.

Page 2

BBC attacked

Environment Secretary Michael Heseltine attacked the BBC for some of its reporting of Government spending plans. He criticised in particular coverage of the protest by Lamheth council in south London against the Government's policy.

Briefly ...

Pakistan is to get food aid worth £2.5m from the UN World Food to provide for Afgban refugees. Two lifeboats capsized as they went to the aid of a stricken coaster off the Outer Hebrides. Crews of both vessels escaped with alight injuries.

- CONTENTS -Kissinger: Memoirs of a Lombard:

West Midlands: A mood of economic forecasts ... 16 determined aptimism ... 18 Management: Singer tries again to restructure ... 15 Surveys: Electronic Components Inset Editorial Comment: NATO; Public sector limits ... 18 Italian Banking 25-30

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No. 28,021

Leaders prepare for Common Market summit

Bonn favours 40% cut in UK share of EEC budget

BY JONATHAN CARR IN BONK

West Germany is ready to accept a package deal at the Common Market summit in Dublin next week under which Britain's net contribution to the EEC budget next year would be cut by about 40 per cent.

The Bonn Government recognises that it would have to foot nearly half the additional bill which would result for other EEC members from such a reduction. But it is willing to do so to help avoid the Community crisis it feels would be bonod to follow failure in Dublin on November 29 and 30.

In addition to direct action on the budget, Bonn thinks the package should include a commitment to curb aurplus pro-duction in the EEC milk aector —a further concession to Britain's view-and probably, to Community action which would main industrial countries next year will be very small, and inflation is expected to stay in double figures, stockbrokers Philips and Drew predict. Page 4 help protect French sheep farmers.

The Germans hope these elements could bring compromise between what Bonn aces as the two polea in the dispute Britain which is seeking a broad balance in its EEC budgetary position, and France which feels Britain should gain little, if anything.

along these lines. But senior West German Government sources insist that they have not taken on a broker's role between Paris and London. They show irritation at what they see as British inflexibility so far-and make clear that they do not intend to jeopardise Franco-German relations on

There is basic sympathy for summit meeting in Dublin to Britain's plea that, as one of the help member States paying more poorer members of the Com-munity, it should not hecoma the biggest net contributor to the budget next year. There is also admiration for Mrs. Thatcher's determination in efforts to deal with Britain's

ecocomic problems. But it is noted that France will also be a net contributor to the EEC budget next year, and that President Valery Giscard d'Estaing connot return home from Dublin having made concessions to the British view and gained nothing in return.

The West German Government recognises that Britain bas the power to block key far from Mrs. Thatcher's demand aspects of Community affairs— for a "broad balance." But with for example the farm price a simultaneous declaration by review next year—if it does not the nine EEC leaders of action obtain what it feels are sufficient concessions. In this case it is made clear

preferable for Britain to leave the Community than to stay in gains little. Bonn is therefore pressing the Community than to stay in behind the scenes for a package and block progress. But it is also clear that the Germans would deplore either development. Bonn believes that Britain's

estimated net contribution to the EEC budget next year of about £1bn could be cut by about one-third by modifying the so-called "corrective mech-

This is the financial instrument devised at a previous theres.

Giscard sees Mrs. **Thatcher** today

and Robert Mauthner in Paris

MRS, MARGARET THATCHER faces the most difficult stage yet in her campaign to cut Britain's contribution to the EEC budget when she meets President Valery Giscard d'Estaing of France in London today for the last of the bi-lateral talks before the summit in Dublin at the end of the month.

Without a major shift in France's attitude, Britain stands no chance of achieving anything The Germans feel that, since the principle of this mechanism remotely approaching the "broad balance" in Britain's contribution which Mrs. has already heen agreed, acceptance of alterations to ensure i fulfils its original aim should not prove impossible.

Tbatcher wants. But the public posture of both countries, suggested yesterday that they were still far apart. Neither side was prepared to admit having modified its views, and the air was still soured by the lamb dispute.

Mrs. Thatcher is apparently resolved to leave the President in no doubt of the British Government's determination to reduce Britain's contributions. the nine EEC leaders of action She may give him the impres-to cut farm surpluses, it could sion that Britain is prepared to be argued that the EEC budget he very unco-operative about was being shifted away from a various aspects of Community that Germany would consider it policy to which Britain contri- pulicy next year if she does not butes much and from which It get her way.

There will he no threats of withholding payments, but she is likely to repeat ber view that Bonn recognises that Italy and Ireland-two poorer member of it is a Community problem which requires a Community solution. Without such a solution, the British Government the Communtiy-could not be expected to increase their contributions next year to help Britain. So the Germans believe argues, the Community can they will probably bave to pay about 45 per cent of the bill for hardly expect to be able to tackle other problems.

the proposed solution, with France paying about 35 per The French recognise there a problem, but of nothing cent and the Benelux countries like the scale the British claim. Their argument is that Britain is largely to blame for the imbalance because it insists on importing so much from outside the Community.

The meeting takes place amid growing scepticism both in Westminster and on the Con-tinent about the chances of Britain getting a settlement which the Prime Minister can present as a success at home. Even those sympathetic to

Britain'a case in the Commission believe that the odds are only slightly in favour of a solution coming out of Dublin. If a solution was agreed, it would almost certainly mean Mrs. Thatcher baving to settle for an immediate cash reduction of considerably less than the flbn necessary to get con-tributions into "broad balance," Continued on Back Page

French budget row, Page 2

U.S. hostages may face spy' trials

THE CONFRANTATION he-Ayatollah Khomeini warned that most of the 70 hostages held in the U.S. Embassy in Tehran would be tried for espionage unless his demand for the extradition of the Shah was

The threat was confirmed by the leader of the Iranian revolu-tion and de facto head of state in an interview with U.S. television networks after the students conducting the siege of the embassy had said that the women and hlacks among the bostages would be freed but that the rest would be tried.

Ayatollab Khomeini said that international law did not apply to spies operating under the guise of diplomats. The U.S. bad violated it by refusing to return the Sbah, who is still undergoing medical treatment in New York has beinged. in New York, be claimed.

"These are all spies and must be investigated and put on trial," he said.

Last night three of the hostages—two black marines and a woman—were brought before a crowded Press conference and said that as far as they knew they were the only hostages being released.

It is now just over two weeks since the embassy was occupied in a move apparently carried out with prior approval of the secret Revolutionary Council and then endorsed by Ayatollah Khomeini.

The latest events indicate a bardening of Iranian attitudes, although some observers had and blacks as a conciliatory ment about the possibility of gesture. Each move is now being "spy trials." conducted with the kind of Freeing women and blacks

networks

apecially arranged in the holy tween the U.S. and Iran took city of Qom, 80 miles south of a grave turn yesterday as the the capital, and a helicopter provided to fly the recording back to Tehran for transmission hy satellite. The screening was embargoed to ensure a prime

time slot.
Confusion ovar the nature of decision-making in Iran since the resignation of Mr. Mehdi Bazargan as Prime Minister on November 6 was highlighted by conflicting statements about oil payments.

Mr. Abol Hassan Bani Sadr, the radical whom Ayatollah has given responsibility for foreign and financial affairs, has said again that Iran would not accept

Asked about a comment by Mr. Ali Akhbar Moinfar, Minister of Oil, that be bad not ordered such a move, be replied.
"I decide and not Mr.

Moinfar." He added that be would not contact Mr. Moinfar until the next meeting of the Revolutionary Council "to clarify the

situation."
Ayatollah Khomeini has approved the demands of the country's Knrds for a greater. measure of autonomy, according to Mr. Hashma Sabaghian, the former Minister of the Interior; who resigned last week but has continued to carry on the nego-. tlations with the dissident minority's leaders.

David Buchan adds from Washington: U.S. officials yes-terday privately expressed sbarp concern about the latest move in the crisis over the U.S. seen the move to release women ment refused all public com-

Freeing women and blacks was taken to be a move aimed public relations expertise shown was taken to be a move aimed by Ayatollah Khomelnl last year at mollifying U.S. public while in exile in Paris waiting opinion, which nonetheless bas for the Sbah to fall.

The interviews with the U.S. behind the Government's strong

More Britons to cross Atlantic than Americans

BY ARTHUR SANDLES IN LOS ANGELES

U.S. next year than Americans considerable implications for visiting Britain, according to the the British hotel industry and first time British traffic has showing the impact of the topped American since the American downturn.

This, plus the sharp decline growth,

MORE BRITONS may visit the in the U.S. visits to Britain, bas latest travel industry forecasts. Britain's balance of payments. If this happens it will be the Already UK hotel results are

More than 1m Britain have But British travel agents are visited the U.S. this year, a rise out in force in Los Angeles for of over 40 per cent from last their annual convention to discuss their possible goldmine of

Ministers alarmed at level of pay settlements BY JOHN ELLIOTT AND CHRISTIAN TYLER

MINISTERS ARE alarmed at formal pay policy. Instead, it this week by Sir John Methven, director-general of the Confederation of British Industry, who will tell his monthly coun-cil meeting on Wednesday that pay rises this winter are likely to outstrip the levels of the last wage round and exceed 16 per

high claims ranging from 20 to 65 per cent are leading to a considerable number of settlements becoming "crazy." at about 15 to 20 per cent, heiping to fuel inflation at a time The chart shows the two constraints on exchange rates within the European Ameteur System: the "gric" of cross rates from which no currency when companies' finances are coming increasing under pres-

cross rates from which no currency (accept the lira) may move more than 2% per cent; and the varying degrees by which each currency may diverge from its "central rate" against the European Currency Unit (ECU), itself a herket of European currence. This "grid" is always shown by reference to the weakest currency in the system, which is the base line in the top chart. But in spite of growing speculation among some trade union leaders that Government intervention possibly starting with a freeze is inevitable, Ministers believe it would be disastrous to change course. They want time for the effects of tight monetary policy to "educate" trade unions in the employment consequences

in foreign currencies from January under a scheme now being negotiated. Back Page of high pay demands. This la in line with the CBI's disaster and implicitly inviting view, the confederation does not want the Government to kind of tripartite consensus that change its approach to economic Mr. Edward Heath tried, but

the level of pay settlements, wants ministers to help increase up the importance of this meetwhich are much higher than public understanding of the they hoped for in this first country's economic problems it foreshadows a new approach, winter for five years free of a and to try, during a major. Ministers hope to persuade direct wage restraint policy.

Their fears will be echoed Economic Development Council present economic regime with early next month, to start a dialogue with trade union do their members no good. leaders.

The CBI's wage figures by

Mrs. Margaret Thatcher pro- been gathered through tive trade unionists at the weekend there would be "no U-turns."
And Mr. James Prior, Employment Secretary, said it would ba He will issue a warning that wrong for the Government to

after a week in which the miners rejected 20 per cent, Merchant Navy seamen accepted 24 per summer that its members were cent, farm workers secured 19 unlikely to bother to send it as per cent and Ford Motor manual workers expected to reach about 20 per cent after an initial 16 per cent offer on Friday.

any Government initiative

The TUC has prepared a paper problems or to introduce any failed, to secure in 1972

Although anxious not to play ing or give the impression that ever-higher wage demands can The CBI's wage figures bave

than their fair share to the

budget. For technical reasons it

Further henefit for Britain-

bringing a cut of about 40 per

cent in its net contribution-could be achieved through rela-

budgetary items such as the

This would still seem to be

for a "broad balance." But with

tively small alterations

regional development fund.

mised a conference of conserva. extended version of its pay data bank and go further than other statistics published recently. During each of the past two pay rounds the bank bas gathered detailed information of some 1,000 company pay deals, plus information on other settlements from employers'
Ministerial alarm was evident organisations, nationalised infer a week in which the miners dustries and other sources. The CBI decided during the

summer that its members were ninch information as there is no official incomes policy. So it is complling its information this year on a different basis. Nevertheless the December It is assessing how bargaining NEDC meeting which will bring structures and timetables work Ministers, the TUC and the CBI as well as collecting some together, is unlikely to produce details of claims and increases. detailed information on only

As a result it bas received suggesting that the present between 30 and 40 company policies will end in industrial settlements in the present pay round. Supplementing this with other general data, it believes there is a general expectation in industry for rises of 15 to 20

number of blocks awarded may Study to be made into 'alarming republished yesterday after nearly a year's absence, but 300,000 copies of its planned 1.5m print run was lost due to increase' in maritime fraud production and distribution troubles. Page 4

BY WILLIAM HALL

A STUDY of the "alarming increase" in maritime fraud is being undertaken by the Inter - Governmental Maritime Consultative Organisation, the United Nations maritime agency, as a matter of United agency.

Mr. C. P. Srivastava, IMCO accretary general, said in London that barratry—fraud by the master or crew of a ship—and the unlawful acizure of the ships and their cargoes had now become a "fairly major become a problem."

Speaking at the end of IMCO's eleventh biennial assembly he said that the study was one of two steps the agency was taking to try to combat the recent rapid rise in maritime fraud.

The other was a call by the assembly for governments to take and co-operate in appropriate legislative, administrative or other measures which could help to prevent and surpass

With the study of maritime When the vessel turned up it fraud, the aim would be to had only the shells on board report the results to the next and in their fury the Angolans IMCO assembly in 1981.

Mr. Eric Ellen, the chief con-stable of the Port of London has cost the in Authority and a past president around \$26m. of the International Association of Airport and Seaport Police, said he was delighted with the IMCO initiative. Although it is impossible to

calculate the losses resulting from maritime frauds Mr. Ellen believes that estimates of £100m water. a year are not far off the mark. Another type of fraud is He estimated yesterday that 80 where ships pick up a cargo, ships a year were involved and sell it at another port and then each one might have a cargo valued at between £700,000 and

Until five years ago crime of mentury frauds.

this kind was unknown, Mr.

Ellen said, but over the past types of fraud has meant that comple of years it had escalated several countries that have sufalarmingly.

retalisted and seized the ship plus three related ships. This has cost the insurance industry There are four main types of

maritime fraud now being practised. The first involves an old ship picking up a valuable cargo. The cargo is then sold in an out of the way port and the ship is acuttled in deep

sail off under another name and flag. Finally there are various types of charter party and documentury frauds.

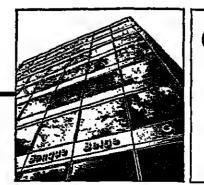
larmingly. fered have taken unilateral The most hlatant example to action and seized the ships condate occurred in 1976 when cerned. It is to prevent this Angola ordered and paid \$6.9m sort of thing happening that has for 13,000 tons of groundnuts. prompted the IMCO initiative.

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Begin ducks settlement row

BY DAVID LENNON IN TEL AVIV

headed by Mr. Menahem Begin, cular plots of land, so they bave Supreme Court to ensure that yesterday backed away from a no objection to their being the rest of the land was vacated. confrontation with the Jewisb returned to the owners. settlers at Eilon Moreb on the occupied West Bank of the Jordan by putting off evacuation of the site for another six weeks.

The Israeli Supreme Court ordered lbat the land on which the settlement was built in June should be banded back to its Arab owners by Thursday. But the Government, fearful of a violent clasb with the settlers who have refused to move. decided that only a small portioo of the land would be vacsted this week.

The Supreme Court ruled last month after bearing an appeal by some of the Arab farmers whose land was taken for the settlement. The court said that the seizure of the hilltop near Nablus was Illegal. It ordered that the land be returned to the appellants within 30 days.

bas been trying to find ways to avold a clash with the militant settlers, members of the ultranationalist Gush Emunim movement. At the weekend it came up with a new formula, to Hurvitz. the land for up to another six construction. All development

dustioned from A20 the site. or social institutions, so as to foreign currency. number of a But the settlers say none of reduce Government investment. Meanwhile Mr. Yitzhak Modai, unresolved. But the settlers say none of reduce Government investment.

They were clearly pleased with accused of locitement against strike, and when he tried to the Cabinet decision, and the the occupation.

result of their continuous rejection. Sit-down strikes were held in Arab east Jerusalem he was prewill now pass special legislation nr find some other legalistic way to enable them to remain where they are.

THE ISRAELI Government, their bouses are on those parti- was considering appealing to the from the various towns from

The settlers again stressed in the occupied territories over joining the Mayor and counciltheir determination last night the plan to deport Mr. Bassam lors of nearby Hebron on the not to cult the rest of the site. Shaka, Mayor of Nablus, who is West Bank, in their sit-down

tion of attempts to persuade some towns and general strikes them to move. They appear in others, Attempts by children confident that the Government to demonstrate were quickly some towns and general strikes vented from entering the city. arrest a week ago.

gathering together. Mr. Mohamed Milhem, Mayor of Meanwhile, protests continue Halhoul, was prevented from Sit-down strikes were held in Arab east Jerusalem he was pre-

Protests bave spread to Israel. to demonstrate were quickly Two Israelis started a hunger strike vesterday outside the Prime Minister's office in soliquelled by Israeli troops who strike yesterday outside the have been very evident in the Prime Minister's office in soliterritory since Mr. Sbaka's darity with the bunger strike of Mr. Shaka. Profest meetings Mr. Elias Khoury, a lawyer The military authorities were also beld in Israeli Arab who represents the Arab yesterday enforced their new villages and one of them was farmers, said last night that be policy of preventing mayors addressed by Mr. Sbaka's wife.

Hurvitz explains budget plans

BY L DANIEL IN TEL AVIV

April were explained to the on all institutions receiving not yet been approved because Israeli Cabinet vesterday by the Government belp, such as local of its effect on production

new Finance Minister, Mr. Vigal authorities, universities, and costs. Hurvitz.

projects are to be frozen forthbe linked in full to the cost of year.

With the hand-over to Egypt The land to be vacated, 31 with except for those nearing living Index except for agricul- With the hand over to Egypt acres out of the 175 acres re- completion. No starts are to be tural and industrial production of the Alma oilfield on the Gulf quisitioned from Arab farmers, made on new hospitals, schools and other branches earning of Suez only a week away.

Since then the Government THE PRINCIPLES on which be The overall budget is to be Minister for Energy has pro-as been trying to find ways to proposes to base his budget for pruned by up to 5 per cent and posed a 37 per cent rise in vold a clash with the militant the financial year starting next...a similar cut will be imposed electricity tariffs but this bas

evacuate now only the land of He envisages a cutback in all curtail the number, of their later this week to negotiate the the farmers who appealed, leaving the evacuation of the rest of culture, industry and bousing receive Government aid. All Government credit is to supplied by Egypt to Israel each

number of other details are still

Whoneedsanother

credit card?

U.S. aid for **Bolivia** resumed

WASHINGTON-The U.S. yesterday promised to resume foreign aid to Bolivia following the congressional election of Mrs. Lidia Gueller as interim President.

A State Department spokesman said the U.S. welcomed the return of constitutional government in Bolivia and sald aid, which was suspended after a military coup on November 1, would be

Mrs Gneller, Bolivia's first woman President, called leading politicians to the presiden-tial palace in La Paz, yester-day for talks aimed at setting np a new civilian Cabinet.

Elected on Saturday by unanimous vote of the National Congress, Mrs. Gneiler, a 53-year-old accountant, pledged to end the bloodshed caused by the military coup which ousted the elected President, Sr.

Walter Gnevara Arze.
In an address from the palace balcony, she told a crowd of several thousand: "The coups have ended in Bolivia. There will be no more repression, no more vengeance. The country must now march towards a shining

Mrs. Gneiler's appointment followed five days of tough negotiations between military leaders and politicians, seeking some compromise solution to the leadership crisis.

Barre seeks a confidence vote on 1980 finance Bill

FRANCE'S Prime Minister Raymond Barre, has asked the National Assembly for a vote of confidence on the 1980 budget Bill following failure to beach a compromise on Gaullist de-mands for big cuts in public expenditure.

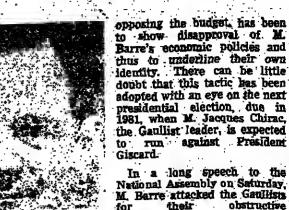
In theory, the constitutional procedure adopted by M. Barre could lead to the Government's downfall. But this has been ruled out in practice by the contradictory stand taken by the Gaullist RPR Party, one of the two main coalition partners.

Under the French Constitution, the Government can esk for a vote of confidence on a Bill which can then only be. defeated if a censure motion is carried by an absolute majority of the National Assembly.

be tabled by both the Socialist Communist opposition. parties tomorrow, they stand no chance of being adopted because the Gaullists have announced that they will abstain.

It is clear that the Gaullists'. decision is motivated by the fear that a Government defeat might persuade President Giscard d'Estaing to dissolve Parliament and call a general

If poblic opinion polls are to be believed, the Gaullists would have their parliamentary



strength reduced if an election Their main objective in

by the Gaullists

more than a pretext for weakening the Government. The Prime Minister also lashed out at his predecessor. M. Chirac, who had accused him of spending more time criticising previous governments than getting his own policies right.

manoenvres. He suggested that

their demands for curs were no

M. Barre said: "When I took office. I did not bave time to criticise my predecessors, given the number of things which I had to do, undo and re-do."

Kuwait worried by the Carter freeze

BY OUR FOREIGN STAFF

officially apprebension about and invested in U.S. institutions. The Kuwaitis have described the measure as "an extremely dangerous precedent."

Speaking after a Cabinet interruption in supplies of its meeting. Mr. Abdul-Aziz oil to the U.S. to affect the Hussein, Minister of State, said: overall oil supply situation.

"The decision has raised grave Any move on the part of the "The decision has raised grave concern about the future of international financial relations, thus exposing the world economy to unforeseeable economy

Kuwait is believed to have at least \$5bn worth of assets in the U.S. in the form of bank deposits, U.S. Treasury bonds, equity portfolios and real estate out of the state's total reserves of over \$30bm.

Mr. Hussem said." Knyait does still need to sell at a not sanction such a freeze and 3.3m barrels a day.

warns against its consequences."

Sheikh Ahmed Zaki Yamani,
Ssudi Minister of Oil, said in
Jordan at the weekend that he
boped the U.S. action against
Iran would not set a precedent. However, he did not expect the blocking of Iran's assets or the

Organisation of Petroleum Exporting Countries to use s basket of currencies for calcu-lating oil prices would be aimed only at easing the impact of currency finctuations and would have nothing to do with the freeze on Iranian assets.

In Washington, meanwhile, a study prepared by the U.S. Library of Congress has pre-dicted that Iran's financial of over \$30bm.

"From our point of view the step is an extremely important precedent which widens the definition of national interest and leaves the door wide open for individual interpretation," dicted that Iran's mandal requirements are likely to prevent it from reducing oil exports to the lower level wanted by some of the country's drastic budget cuts Iran would vent it from redncing oil exports to the lower level leaders. It argued that despite drastic budget cuts Iran would still need to sell at the rate of

Thailand to move 560,000 refugees to transit camp

BANCKOK — The Thai But these plans were based Government will start proving on the expectation that 360,000 about 560,000 Kampachean Kampacheans would cross into

Relief agencies said work started vesterday on a vast transit centre seven miles inside Thailand. It will be available for all refugees wishing to cross the Thai-Kampuchean border.

Most of the refugees are massed in sprawling campa of bamboo and grass shelters along the frontier north of Aranya prathet: 170 miles east of

About 130,000 people are camped south of Aranyaprathet In an area where guerrillas loyal to the ousted Kampuchean leader, Pol Pot, bave come under attack from the Vietnamese-led forces of the present Kampuchean Government.
The Thai military authorities

are anxious to move the refugees away from the frontier in case the fighting worsens.

The Government announced last month that & would establish three bolding centres where the Kampucheans could recover their bealth before being moved to a planned camp in Most Trat province, capable of holding up to 300,000 people.

refugees away from border greas. Thailand once the fighting drew near to them. Now, relie agencies say as many as 750,000 people could flood into Thai, is land, a country where 200,000 Indo Chinese cefugees are already housed in official camps financed by the United Nations. In addition, the relief agencies quoted Thai officials as saying about 80,000 Thai nationals have been forced from their been forced from their s near the border by the threat of fighting

Military officers said yester day that about 5,000 people a day were arriving at the frontier in search of food and there appeared no end to the flood of

Kampucheans.
The relief agencies said the the frontier zone would start next Sunday, with batches of 200 people escented by The soldiers crossing the border every 10 minutes to walk to th new transit camp.

The Secretary-General of the Thai National Security Council Mr. Sidhi Savetsila, said the Government had decided to move the refugees to protec them from shelling.

Ceausescu to urge higher productivity on Romania

PRESIDENT Nicolae Ceausescu its observer status in the nor today opens the 12th Congress aligned movement and open of the Romanian Communist disagreement with the Sovie Party which is due to outline. Union is expected to be under another five years of high in- lined in President Ceausescu'

Party which is due to outline another five years of high investment and selective economic growth.

Higher productivity plus energy savings and the develop-ment of domestic energy sources and nuclear energy will be the top priorities for the next fiveyear plan starting in 1981.

But some concessions will be made to consumers who have shown increasing signs of discontent after years of sacrifices. The congress has been pre-ceded by considerable diplo-

matic activity. Over the last months President Ceausescu has played bost to resulted in a les ostentation the West German, Italian and display of portraits of the Churese Foreign Ministers as Romanian leader for this cor well as to Marshal Tito of gress, although the streets of Yugoslavia and the French Buchare Socialist Party leader M. flags. Francols Mitterrand.

FT19/11 ·

opening speech.

The Chinese Communist Part is sending a delegation led b

Mr. U Lande, a member of th Politburo. And the Soviet Part is sending a delegation led b the Politburo veteran Mr. Arvi Beishe.

Other Communist parties ar sending low-key delegations an the only Euro-Communist part to send a top-level delegation the Spanish Party led by it secretary, Sr Santiago Carrillo. Obvious sensitivity to crit cism of the cult of personalit around Mr. Ceausescu ha resulted in a les ostentation gress, although the streets of Bucharest are bedecked with

Romania's independent financial Times, published deal foreign policy, marked by a succept Sundays and holidays. U.S refusal to increase military subscription rates \$55.00 per annuar spending as demanded by the Second class postage paid at New York N.Y. and at additional mailing warraw pact summit last year, cantes.



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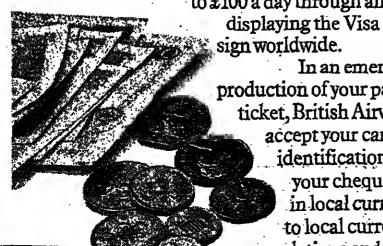
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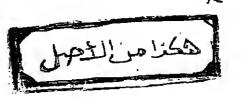
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Bid to step up business between Mexico and Brazil

BY DIANA SMITH IN BRASILIA

overall design to develop trade, industrial, technological and political relations between the

two countries.

The visit to Brasilla last week Sr. Jorge Castaneda, the Mexican Foreign Minister, and simultaneous inaugnrations of the first Mexican-Brazilian Commission on Trade, Science and

operation, formation of joint

Brazil has offered to build oil state oil company, now provides, search platforms for use in provided the price was reasonvestments in the Latin American

Chile's southern waters and to able.

Two-way trade was only \$103.4m in 1978, with a \$24m halance in Brazil's favour. The intention is to reach exchanges of \$500m within the near foture. Expressing disappointment at the meagre results of 20 years

efforts by developing countries to achieve a new economic order, Sr. Castaneda said: "Now, we are turning to one another using our own resources and seeking comple-

into account'

MEXICO will sell 20,000 barrels and Mexico can complement a day of oil to Brazil next year, about 2 per cent of its total technically will determine the rate of future oil supplies, Sr. In future, however, sales are likely to increase as part of an our limits, I am sure we can complement each other industrially and technically will determine the rate of future oil supplies, Sr. Castaneda indicated. "Within our limits, I am sure we can increase supplies," he said.

The Brazilian Government is gravely worried about medium-term oil supplies, since Iran is

its third largest supplier.
It is attempting to restructure its oil purchasing system, turning to non-Middle East producers like Mexico, Nigeria and Venezuela. The Venezuelan and Technology have been treated as events of particular any venezuera in the venezuera and venezuera an

provide Chile with technology to build equipment for crude oil refineries and liquid gas plants, Reuter reports from

The proposal was raised at a meeting between Sr. Mauricio Albarenga, production head at Petrohras, the Brazilian state oil company, and Sr. Carlos Quinones, Chile's Mining Minister. Sr. Quinonea was told the platforms could use either Brazilian of Chilean technology and would be able to operate in waters up to 150 metres deep.

Trade deficit widens

● MEXICO CITY—Due to a leap in the value of oil, Mexico's merchandise exports in the first nlne months of 1979 rose 47 but imports also jumped, eausing Mexico's trade deficit to

to account."

accounted for 42 per cent of all to \$5.01bn.

The degree to which Brazil merchandise exports, up from AP-DJ

earlier. Excepting oil, there was a 2 per cent decline in exports. Imports jumped 43 per cent per cent from the year before, to \$8.21bn from \$5.73bn. Imports of capital goods were \$3.13bn, up 58 per cent from the 1978 period.

mentary action.

Banco de Mexico, the central The central bank also said "We can join forces and bank, reported that exports that Mexico's merchandise press industrialised countries to climbed to \$5.92bn (£2.8bn) exports to the U.S. during the make decisions that do not from \$4.03bn a year earlier. The first nine months of 1979 rose adversely affect our interests value of oil exports soured to 42 per cent to \$4.01bn. Imports and that take our decisive role \$2.48bn from \$1.15bn. Oil from the U.S. rose 53 per cent

SHIPPING REPORT

Dry cargo rates more settled after last week's increase

week, although the underlying \$19 per ton. tone remains firm.

Having touched \$47.50 in the first week of this month the Gulf/China rate for 25,000-tonners carrying grain has settled down at around \$43-\$44 per ton. This is still over a fifth above the going rate at the end of last month and Denholm Coates reports that Chinese charters should continue to be active to the middle of next prior to the year's end.

The U.S. Gulf/Japan rate bas also strengthened and the rate for 30,000-ton grain cargoes, at \$29 per ton, is about \$1 per ton above last month's peak.

In the Atlantic grain trade

activity in the dry cargo mar- U.S. Gulf/Holland run have ket was less spectacular last risen another 25 U.S. cents to

In the raw material sector of the market, rates have con-tinued to drift higher. The coal trade has been busy and the rate for Hampton Roads—Japan, for a 50,000 tonner, has been close to \$20 per ton—double the rate of 12 months ago.

Iron ore charterers are also

coming under pressure to move Last week a 155,000-ton cargo of iron ore from Tubarao in

Brazil to Taranto, in Italy, was

AFTER THE dramatic rate that rates for larger size Atlantic. Period business increases of the previous week, tonnage (60,000-tonners) on the beyond one year remains pretty

In the tanker markets the events in Iran bave been the main talking point and activity has been at a pretty low level. The U.S. ban on Iranian oil imports bas meant that tankers which bad been operating on the U.S.-Iran run are now seeking other loading terminals in the Gulf.

This bas led to a weaker the balance of the contracts trend in the market and the going rate for very large crude carriers Arabian Gulf-West, bas dipped below Worldscale 50 to Worldscale 471-48, But over the gthened and the rate
ton grain cargoes, at
in, is about \$1 per ton
the month's peak.

Atlantic grain trade
Wrightson report
W

\$75bn needed for world's new ships

BY OUR SHIPPING CORRESPONDENT

world's shipping companies will have to spend \$75bn on replac-ing ships delivered in the early capital." It adds that over the

In an analysis of the Future Financial Needs of World Ship-ping, Oceanic Finance Corpora-tion estimates that in 1979 \$9.9bn will be spent on new ships and says that it is "un-likely" that the expenditure in the early 1980s will fall below \$15bn per annum. The report assumes that 80 per cent of the investment will be financed by debt, but shipping companies will have to contribute between \$2bn and \$3bn of their own

Between 1970 and 1978 Oceanic estimates that \$120hn was spent on new ships for the world shipping fieet (excluding Eastern Bloc investment) and \$24bn bas been financed from the shipning companies' own equity resources. Some \$46bn bas been spent on tankers. \$26.3bn on general cargo ships, \$26.1bn on bulk carriers, \$12.3bn oo container ships and \$9.4bn on combination carriers. The report states that the

OVER the next five years the world shipping industry is wet or dry bulk, or all manner world's shipping companies will "considerably over - indebted of consumer goods, is today unrealistically low and must increase across the board if past five years "there have been numerous financial collapses among shipowners and shipping companies."

ahipping companies are to be able to continue to provide the service to world trade, other than with Government ownercompanies."

"The cost of transporting ship or with substantial goods of all kinds by sea, be it Government subsidies."

World Economic Indicators

UNEMPLOYMENT					
		Oct. 79	Sept. 79	Aug. 79	Oct. 78
UK	000's	1,282.0 5.3	1,264.0 5.2	1,264.7 5.2	1,360.0 5.7
Holland	060°s	207.4 5.0	212.6 5.1	218.0 5.2	208.2 5.1
U.S.	000's %	6,182.0 6.0	5,985.0 5.8	6,149.0	5,900.0 5.8
Germany	000's %	761.7 3.3	736.8 3.2	798.8 3.5	901.6 3.9
Belgium	000's %	Sept. 79 287.2 7.2	Aug. '79 287.7 7.2	july 79 276.3 6.9	Sept. 78 268.6 6.7
France	000°s %	1,355.2 5.9	6.1	1,403.5 6.1	1,284.0 5.5
Italy .	000's	July '79 1,830.0 9.1	Apr. 79 1,580.0 7.8	Jan. 79 1,632.0 8.1	July 78 1,658.0 8.1

BANK OF SCOTLAND

Base Rate

The Bank of Scotland intimates that, as from 19th November, 1979 and until further notice, its Base Rate will be increased from 14% per annum to 17% per annum.

LONDON OFFICES—DEPOSITS The rate of interest on sums lodged for a minimum period of 7 days will be 15% also with effect from 19th November 1979

Canadians tipped for Australian satellite

By Patricia Newby in Canberra AUSTRALIAN Government has decided to use a Canadian Hermes satellite in a

test is seen as giving Canada the edge in the bidding for the reactor there, which Westingsupply of the space component thouse still lacks a U.S. licence of a A\$150m (£79m) domestic communications

system, which Australia hopes to launch by 1984. The space segment of the project consists of three satel-lites, two of which will be put into orbit and a third to be used

The Government is expected to advertise abroad in the next few weeks for expressions of interest in the space segment. It is widely felt here that if the Canadian Hermes tests prove successful, Canada will be in an advantageous position. The Canadians are particularly anxions to supply Australia with its modern Anik C satellite. Australia has decided in pro-

ceed with a domestic satellite programme in an effort to improve communications with the more remote regions of the continent.

 Australia's exports to India rose by nearly 40 per cent in 1978-79 over the previous year, an increase of nearly U.S.\$49m, AP-DJ reports from New Delhi. From \$84m in 1977-78. Australian exports, which include wool and coking coal, jumped to about \$133m last year. Mr. Mahesh Prasad, joint secretary in the Commerce Ministry said following three days of Indo-Australian trade talks. Imports from India rose from \$108m to \$125m worth, an increase of 16 per cent.

Nuclear review threatens U.S. sales

BY DAYID BUCHAN IN WASHINGTON

Canadian Hermes satellite in a test to gauge the effects of beavy rainfall of the satellite transmission of television programmes.

The decision to use the older-markets to foreign competitors.

In particular, the Philippines might invite Framatone, the month concern, to finish off the

to complete The NRC has, in fact, announced no temporary ban on reactor licences. The agency has been near totally preoccupied in trying to quell the public uproar over the Three Mile Island

THERE IS now a serious question whether the U.S. Nuclear year—to absorb technical lessons for the reactor when the State or not it has the jurisdiction to Regulatory Commission will from Three Mile Island and Department ruled on September pronounce what is good or safe license the sale of reactors algest criticism that the NRC 28 that its export did not conformation for foreigners as well as has been too lax and complacent on reactor safety.

Some NRC staff officials believe it would be illogical for the ageocy to licence reactor exports while refusing licences at home.

The backlog of pending reactor export licences is much smaller than of licence applications at home. The present tally is some half-dozen for three countries — the Philippines, South Korea and Spain.

South Korea is worried about

etting its U.S. reactors. But it is the controversial Westing-bouse plant in the Philippines that has raised the issue of whether the U.S.—out of con-cern for stringent nuclear safety over the Three Mile Island —is going to squeeze itself out accident. But it says it will not of the world reactor market, grant any domestic reactor Westinghouse's Phillipine

licences until next spring. deal, agreed in 1976, has been Agency chairman Mr. Joseph a long-running saga. Westing-Hendrie, said his agency will house finally cleared the first

28 that its export did not conflict with non-proliferation goals.
But two things have happened. President Marcos of the Philipines said he wants the pressurised water reactor (like the Three Mile Island one) which he was huying from Wartinghamas have a few for the conflict that the said of the conflict that the confl Westinghouse to be made aafer.

Westinghouse countered by saying it would incorporate any extra safety features, up to the highest level demanded by the NRC in the U.S. But of course it would cost the Phillipines

Secondly, two environmental groups have petitioned the NRC to consider the bealth and environmental objections to the plant. (The State Department has the first say in granting a reactor licence, the NRC the second say, after which it can only be overruled by President

The NRC has taken these petitions as a catalyst for it to

Americans. It is now wrangling with the problem.

guardian of foreigners' nuclear health and safety, then the NRC is likely to continue issuing reactor export licences, no matter bow protracted its re-view of domestic nuclear safety in the U.S. turns out to be. The NRC may bowever decide there are good grounds for it to be concerned about environmental fectors, but a Westinghouse executive complained last week that this would amount to Uncle Sam playing "hig brother," and

many governments would find this unacceptable. President Marcos is happy with the plant site, though not totally with the Westinghonse reactor, and bas indicated be would not be averse to a com-pany, like Framatone finishing

GATT delays decision on safeguards measures

THE DECISION-TAKING Coun- against import curbs imposed cil of GATT — the General by their larger colleagues.

Agreement on Tariffs and Trade Separate negotiations will con-Agreement on Tariffs and Trade dispute between developing and day's discussion. industrialised countries.

This includes the crucial safecause or threaten to cause dustry on which no agreement has so far been reached within the Tokyo Round.

The argument has been further complicated by fears among the smaller industrial-

— has postponed until next tinue in small informal groups
Thursday discussion of a major to pave the way for next Thurs-

In a separate move the GATT council has set up an investigaguard measures to limit imports tion panel to study a complaint of particular products when they by Canada against Japanese tariffs on leather imports. Japan serious injury to domestic in-dustry on which no agreement World War II on certain leather imports to protect its backward the country and to a limited leather workers, who must be amount of routine imports. But given special support under Japanese legislation.

The Canadian complaint is ised countries in Europe that similar to one lodged by the U.S. cover on more relaxed terms, they will have no recourse earlier this year.

Britain to ease export credits cover for Sudan

BY JAMES BUXTON

BRITAIN'S Export Credits Guarantee Department is ex- countries in the Club of Paris, pected to relax the terms of its a grouping of export credit insurance cover for exports to agencies, last week agreed with Sudan following last week's Sudan to recommend to their agreement in Paris on a mejor governments that they carry rescheduling of Sudan's over- out a "major" rescheduling of due debt.

As payments from Sudan have fallen more and more into arrears ECGD bas restricted its cover to trade financed outside when the rescheduling pro-ECGD should be able to resume

It was agreed that Sudan would repay the debt over a seven year period, The total amount of Sudan's

Sudan's official and officially in-

sured overdue debt.

Representatives of 12 OECD

overdue debt of all kinds, including sbort term debt of under one year, was put by the International Monetary Fund at



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for the print-out to begin. Then the P5002 does its own filing and its own retrieval when asked. Yet it's so simple to use, the average

secretary can learn to operate it competently with only a few days' training.

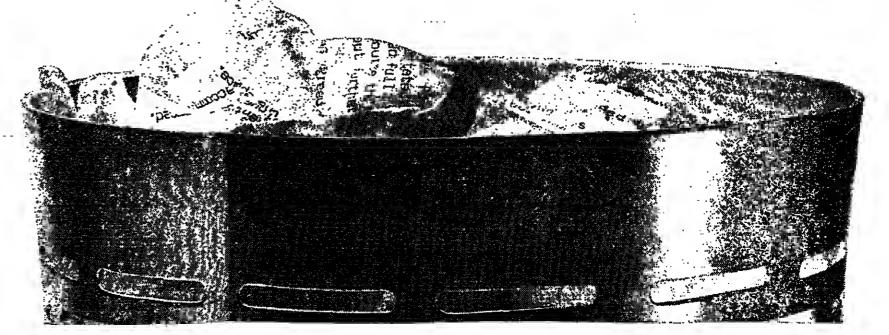
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Exploration licences may be restricted

early in the new year so that

the awards can be conditionally

that the operating conditions

can be negotiated and finalised before spring 1981. But this

would still enable companies to

start seventh-round exploration

drilling in the summer or

autumn of that year.

The exact size of the propose

licence round is not known but

it is thought that Mr. Rowell will emphasise the "quality" rather than "quantity" of the concessions put on offer. This

should indicate that there is a

reasonable chance for com-panies to discover oil or gas

reserves in a high proportion

Even so, many compaines will

he disappointed. They have

been urging the Government to

offer a large number of blocks in various parts of the UK Continental Shelf. In this way.

Even if new fields are found,

they say, the Government can still control the rate of deple-

with the 8.45 per cent on the

In October sales of the 18th

issue totalling £33.99m only just exceeded repayments of

The National Savings Certifi-

cate retirement issue continued

its good performance this year.

showing a net increase of

receipts of £11.6m showed an

improvement on recent months,

savings

Premium

resource potential.

of the blocks put on offer.

On this basis it is unlikely

made in the spring.

GOVERNMENT is year before details of the expected to announce details seventh round are settled Com-of a new round of offshore panies will probably be asked exploration ilcences within the to bid far designated blocks next week. But there are likaly to be fewer blocks to he awarded than many in the oil industry had hoped.
Mr. David Howell, Energy

Secretary, has apparently resisted industry pressure for a large and wide-ranging seventh round of licences. There are thought to be two main reasons

First, it is felt in the Energy Department that the industry still has much exploration and appraisal work to do on blocks assued in previous licence rounds—particularly the sixth. It is also questioned whether the drilling rig market would bave enough spare capacity to

Second, the Government is still working on a depletion policy for the UK Continental It may be concerned that a rush of exploration and development could result in a production level in the mid-1980s considerably above the rate of domestic consumption. It has been said in Whitehall that, if there were fears that output in the 1980s looked like

dropping below consumption levels, it was open to Government to issue another hatch of icences in the near future.

But it could be more than a various field development plans. licences in the near future.

crude interest. The figures for

The interest paid on the NSB

account was increased to 121 per cent in September. This will

soon rise a further 2½ per cent to 15 per cent following the

Government's measures last

Also announced last week was

a 19th issue National Savings

October were swelled by a net increase of £30m into the National Savings Bank investment account, the highest intake just excee

National Savings rise

NET NEW RECEIPTS from issue will return an overall com-

National Savings last month pound interest rate of 10.33 per totalled £47.9m or £112.7m after cent a year tax free, compared

Certificate. This is particularly but with repayments remaining timely in view of dwindling sales at a high level only a small net

of the 18th issue. The 19th increase was recorded.

Sun group steps up North Sea oil search

By Ray Dafter, Energy Editor

SUN, THE U.S. based energy group, has designated the North continental shelf for its major international oil exploration in the next five to ten years.

Mr. Theodore Burtis, group's chairman said in London that Sunmark Exploration Company—the exploration arm of Sun—recently completed an extensive review of the geological basins of the North Sea and the North West Euro-pean continental shelf. It concluded that the area had "significant potential for future oil and gas discovery."

Subsidiaries

The group hopes to be in-volved in drilling activity through its subsidiaries, North Sea Sun Oil, Norsk Sun Oil, and Irish Sun Oil. The UK company says it is planning to hid for concessions in the seventh round of offshore exploration already told the Energy Department which areas it would like to see offered to companies.

There have been signs that the Government will favour UKthey argue, the industry and Government can hulld up a better picture of Britain's oil based companies, particularly as the influence of the State-owned British National Oil Corporation

is being reduced. Consequently, Sun is strengthening its North Sea consortium to include 50 per cent British; participation for the seventh round hidding.

Existing Sun partners are Clyde Petroleum, Hampton Gold Mining Areas, Hautpas (a subsidiary of Bowater) and North Sea Exploitation and Research (2 subsidiary of Union Rhein-ische Braunknhlen Kraftstoff).

Partners

Mr. Burtis aald the Sun group in the UK would soon start drilling a second well on block 16/21a, north-east of Aberdeen and close to the Andrew field.

This well, to be drilled by the semi-suhmersible rig Pacesetter I, would be sunk north-east of the first successful well on the block to determine if sufficient reserves and production potential warranted development

Wells on other offshore prospects were planned for 1980.

Labour hedges over Growth compensation for renationalisation be small'

has never been party policy, and

which would inevitably hurt

workers as well as speculators.

however, that the Shadow Cabinet had a duty to reflect

the views of the conference and

A compromise was worked

using the national executive's

tive, pointed out that the NEC had itself acknowledged the

practical problems involved in

renationalisation without com-

pensation, and had recom-manded that a committee

abould be set up to study them.

ported, it was agreed, shadow ministers should not commit

the Opposition heyond saying

that sharebolders would not he

allowed to make excessive

In this way, the PLP avoided

a vote which could well have

resulted in Labour MPs asking

capital gains through re-nationalisation.

Until this committee had re-

off the book.

Some left-wingers argued

BY ELINOR GOODMAN, LOBBY STAFF

SHADOW MINISTERS will be ment to re-acquire shares with deliberately ambivalent this out some form of compensation week about the policy approved They say that to do so would by this year's Labour Party amount to confiscation which conference on the renationalisation of State assets sold by the

In the Commons debate beginning today on Govern-ment plans to sell shares in the aviation and aerospace indus-tries, the Opposition will emphasise that it is Labour policy to take back into public ownership those companies sold by the Conservatives. They will warn that nobody will be allowed to make excessive profits from renationalisation. But they will not present the commitment to renationalisation without compensation as hard and fast party

Nationalisation has always been one of the most central and emotive issues in Lahour policy. The importance of this year's debate has been heightened by its being interpreted by some sections of the Parliamentary Labour Party as a test of the extent to which the Shadow Cabinet will feel bound by tha conference decisions in the light of the way conference has triad to impinge on the authority of

MPs in other areas. The debates on aviation and aerospace will bring to a head an argument which bas been simmering in the party'a industry committees since MPs returned to .Westminster.

Mnderates have been arguing the shadow cabinet to ignore that, in practice, it would be the expressed wishes impossible for a Labour Govern-conference.

GNP 'will

BY DAVID MARSH

THE MAIN industrial countries are expected to achieve practically no economic growth in 1980, although consumer price inflation is likely to remain in double figures for most of the year, according to an international preview by stockbrokens Phillips and Drew.

that the conference had quite clearly voted in favour of re-Real gross national product among the 24 nations in the nationalisation without compen-Organisation for Economic Cooperation and Davelopment is forecast in grow by only 0-0.5, per cent, after a 3 per cent, increase this year. OECD conout at last week's meeting of the Parliamentary Labour Party sumer price rises are not expected to moderate, and will decision to set np a working party on nationalisation as an average about 10 per cent next. excuse for getting both sides At the maeting, Mr. Eric Heffer, a member of the execu-

Higher prices, or reduced supplies, of nil, as well as comamong the major countries, are likely to depress output. Apart from Japan, however, intersbort - term interest rates are thought to be close to their cyclical peak, although a turning point may not be

Real GNP is likely to fall by 1-2 per cent next year in the U.S. and 1-1.5 per cent in Britain. Elsewhere, output growth will be low but positive, although only Japan, of the major countries, will achieve growth of more than 3 per cent, and only West Germany and

Australia of more than 2 per

Government plan | Pl makes gilt-edged prospects'bullish'

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

have bullish implications for gitt-edged prices and interest the weekend.

Messel say Brokers . L. present yields pravide an excellent buying opportunity. cial targets daing and Cruickshank describa June Budget. the prospects for gilts as bullish though they do not believe that the hull market proper will start until Fehruary. Panmure Gordon and Co. take a similar

These comments are in line with the strong demand for giltdged stock at the end of last week after the Government's measures were amounced. and an £800m 1985 atock is being offered for sale by tender on Thursday.

The common theme in the brokers' circulars is that hank lending to the private sector should ease from the late winter onwards and that this should permit lower interest rates.

Laing and Cruickshank argue that the demand for credit would in any case have fallen from next February so the measures should be seen as reinforcing the recessionary forces already at work.

are aimed at ensuring monetary

THE GOVERNMENTS more stabilisation for the rest of the tary measures last Thursday fiscal year. For this reason to bullish implications for Minimum Lending Rate is likely to be held at 17 per cent until rates over the next year, according to a batch of new stock then and from May reaching 10 brokers circulars published at per cent by the end of next year.

L. Messel say the measures had the basically conservative intention of restricting the financial targets envisaged in the

"The only sense in which Government policy has become more restrictive is that the Chancellor has refused to accom modate the deterioration in the infiziion outlook caused by cessive loan demand, big pay claims and the latest rise in oil

The firm regards this "as clearly encouraging in the long run and we reiterate our view that the coming recession will lead to much lower inflation and interest rates."

Panmure Gordon and Co. believe the measures should ensure that the remaining funding of Government borrowing in 1979-80 will be comfortably achieved. The brokers suggest that the action will accelerate and deepen the recession in early 1980. . .

"Appalling inflation prospects imply a tightening of real personal incomes which will in turn reduce recent credit pres-On this view, the measures sures despite the absence of new

Sacked chairman starts claim for damages

MR. DENYS RANDOLPH has ing damages for alleged wrongful dismissal. Ha was sacked
as chairman of the consumer
as chairman of the consumer
the company.

At the time, Mr. Randolph started a High Court action said he refused the offer because against Wilkinson Match claim- he did not want to he hlamed

be served today. He had no intention of relinquishing his non-executive directorship of chairman. Since then, Mr. Wilkinson He was voted out Brian Taylor, managing disease. of the chairmanship two months of Wilkinson's safety and pro-ago after turning down a tection division, has left the £210,000 offer to leave the company because of disagreements on policy.

Problems mar Sunday Times relaunch

had had only one or two

BY GARETH GRIFFITHS, LABOUR STAFF

THE SUNDAY TIMES, TO. published yesterday after nearly a year's absence, lost 300,000 copies from its planned 1,550,000 printing run due to a combination of production and distribution problems.

A spokesman for Times Newspapers said there had not been any labour difficult ties with the relaunch and all the unions had co-opera ted in an attempt to over come the technical problems. They arose because mach inery, unused for 114 months,

dummy runs.
About 20,000 copies of the paper were not distributed because of a continuing dispute in W. H. Smith's wareouse in Peckham involving members of the Society of Graphical and Allied Trades. The men want extra payments

There were distribution problems in the North because of rallway work around Carlisle and no copies were sold on Merseyside.

for handling both The Times

and the The Sunday Times in

General distribution problems led in shortages in pockets throughout the country. The management said the

problems would be overcome by next Sunday. It applogised to readers, advertisers and retailers for causing them disappointment at not being able to obtain the relaunch

A leading article said the paper's suspension for so long had been a "disaster" but the Justification must lie in the future with better service to its readership.

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tions packages that can give your materials manager direct control of his inventory and order planning, or let him set up a factory data collection system - without any computer experience. And HP's family of engineering and scientific computer products provides the tools you need for sophisticated computation, measurement and testing jobs.



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HP 250 The HP 250 is a powerful small business computer that has an adjustable video screen with eight programmable "soft keys" to make the user feel right at home Priced from £13,750; the HP 250 can support five terminals and even act as a terminal for the HP 3000.

Retailers call for consumer laws overhaul

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDED

AN OVERHAUL of all conner protection legislation will be demanded this morning by Mr. Ricbard Weir, director of the Retail Consortium, which represents more than 90 per cent of Britain's retailers.

He will make his appeal to sultation with industry, conthe Government at a London sumer protection organisations trade conference on consumer and fair trading standard protection laws as the final enforcement authorities." touches to an independent research study into the costs and benefits of the legislation are being made.

Its probable conclusion, that ment would be relieved.

the cost of consumer protection outweighs the benefits, is reviewing part of the consumer certain to be hotly disputed by UK consumer organisations. launched review of the Fair Mr. Weir saya that to restore Trading Act, 1973.. In addition, the balance between the in-Mr. John Mott, the Trade Secreterests of the consumer and

"Before the Government passes a single further enact-ment dealing with consumer protection, I would like to see the conclusions of a rigorous appraisal of the existing legisla-tion by the Government in con-

Mr. Wein believes the prob-lem of over-enforcement bas been caused partly by the failure of the system for dealing with ordinary consumers com-This study, by the Economist Intelligence Unit at the request of a number of major companies, is expected to be published in the next few weeks.

The archibile archiving that

protection laws with its recently tary, recently made clear that commerce a review of the he was concerned at the growth "frightfully muddled" con- of "rampant consumerism" in sumer protection laws is needed. the past few years.

British Airways to double Gatwick use

BRITISH AIRWAYS could become Gatwick's biggest single airline early in the 1980s, in

view of the State airline's expansion plans.

Mr. John Story, newly-appointed British Airways manager at Gatwick, says that the airline plans to double the number of passengers it carries into and out of that airport to 2m in two years' time.

"We intend to become the dominant airline at Gatwick, working closely with the British Airports Authority, to belp it grow as a major international grow as a major international airport," says Mr. Story.

Next year, BA will launch eight new scheduled services from Gatwick — to Stockholm. Bulogna, Madrid, Barcelona, Valencia. Bilbao. Lisbon and Oporto, joining the airline's existing scheduled fights to Fato, Malaga, Alicante and Palma. BA through its charter subsidiary, British Airtours, is already a hig bolday operator at Catwick.

In the next two years BA will

In the next two years BA will also be introducing two new types of jet airliner, the Boeing and the Lockheed TriStar Dash 200, replacing ageing **NEWS ANALYSIS - FORESTRY**

By CHRISTOPHER PARKES

Planting for a 21st century harvest

TAKING STOCK after the First World War, the Asquith Government quickly realised that the devastation wrought by the conflict spread far beyond the graveyard acres and blood-soaked battle fields of Northern Europe.

Britain's landscape had been devastated by the search for timber to support the war effort. Demand for packing cases, ammunition boxes, coffins, trench cladding and duck hoards stretched Britain's forest reserves to their limit.

A million acres of trees were cut down to fuel the war. In 1914 there were 2.7m acres of forest in Britain. In 1919 there were only 1.68m acres, and surveys showed that the remaining trees had little or no value: only the best had been shipped across the English Channel.

With remarkable foresight and alacrity, the Asquith administration decided that these strategic reserves had to be rebuilt. The Acland Committee recommended that the nation should undertake to create reserves of standing timemergency.

Sixty years ago this month, acting on the committee's these times of recommendation, the Govern- stringency.

ment set up the Forestry Com-mission. It was given until the end of the cenutry to establish a forest

estate for the nation extending to 1.8m acres and to help encourage the planting of an additional 3m acres of private

Although strategic requirements and economic circumstances have been revolutionised, the Forestry Commission is still plugging on gamely towards these objectives. In spite of considerable pressure from all quarters, the 4.8m acre target has bardly been acre target has bardly been changed.

Forest resources have been doubled since 1919, but Britain produces only 10 per cent of its timber needs. This year, the commission and private woodland owners will produce some 4m cubic metres of wood, worth £140m at import prices. But the country will spend £2.4bn on timber and wood products from

Common Market plans for increasing EEC timber production bave been largely ignored, ber enough to guarantee along with appeals from private Monaughty Forest, near Elgin, supplies for up to three years as insurance against another incentives. The commission In the next 10 years, the commar or similar national treef, a quango of the old mission bought 602,000 acres of school, could even find its scope and budget severely reduced in

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pass without even going

to the airport.

The commission tends to support recent recommendations that the national forest should

300m seedlings in its propagation from the supply what it could from the but its pride in these achieves achieves the private woodlands spared to supply what it could from the private woodlands spared to supply what it could from the private woodlands spared to supply what it could from the private woodlands spared to supply what it could from the private woodlands spared to supply what it could from the private woodlands to supply what it could from the private which we would be a supply when the private woodlands to supply when the private woodla be doubled by the year 2050 to make Britain about 25 per cent self-sufficient, but it has so far from environmentalists.

The conservation lobby complained that the commission was up the money and provide the necessary aid for private landowners.

But its pride in these achievements was dented by some of the earliest recorded objections from environmentalists.

The conservation lobby complained that the commission was planting too many conifers, and that its forests lacked amenity value. The commission natiently

The trouble with trees is that they take so long to grow. This tends to influence decisiona made on forestry policy. Govern-ment bas enough trouble managing from day to day without the worry of wondering about the advisability of sponsoring the planting of oak trees which may not reach their prime for 200 or 300 years. Even softwood varities suited to the British climate take at least 60 years

Propagation

timber and wood products from overseas.

Common Market plans for increasing EEC timber production bave been largely ignored, along with appeals from private foresters for greater planting incentives.

Sixty years ago, the 16th Lord plantage areas, avoiding straight edges to plantation and mixing varieties.

Lovat, Simon Fraser, and Lord There was no doubt, however. Mr. Asquith's target.

There was no doubt, however. Mr. Asquith's target.

Common Market plans for Clinton, laid the foundations of the forestry policy, planting success. More Government in the foresters for greater planting areas, avoiding straight edges to 2.1m acres, the total is close to There was no doubt, however. Mr. Asquith's target.

Common Market plans for Clinton, laid the foundations of the total is close to There was no doubt, however. Mr. Asquith's target.

Common Market plans for Clinton, laid the foundations of the forestry policy, planting success. More Government might ask itself the ing the forests, and by the output of the foresters for greater planting areas, avoiding straight edges to 2.1m acres, the total is close to There was no doubt, however. As the diamond jubilee that the commission was a fund was a success. More Government funds were diverted into extend in the foresters for greater planting areas, avoiding straight edges to 2.1m acres, the total is close to There was no doubt, however. As the diamond jubilee that the commission was a fund was a greater planting area.

The common market plant is close to There was no doubt, however. As the diamond jubilee that the commission was a success. More Government might ask itself the ing the forests, and by the output of the commission was a success. More Government might ask itself the funds were diverted into extend the commission was a success. More Government might ask itself the funds were diverted into extend the commission was a success. More Government was a success. More Government might ask itself the funds were diverted into extend the commission was a success. More Go In the next 10 years, the com-mission bought 602,060 acres of land, including 120,000 acres acres of trees.

the contingency foreseen by Mr. Asquith's policy to British needs in the 21st century? Is 5m acres enough? It might also

value. The commission patiently pointed out that of the 10m tonnes of timber then used annually in Britain are tonnes. But once again the strategic value of forestry was recognised, and in 1945 the Government once again set a target: 5m acres by the end of the century. annually in Britain, 9m tonnes

was softwood.

Conifers were well suited to growing in the limited areas of Britain not used by conventional agriculture and they matured in 60 to 100 years compared with 120 to 150 years for broadleaved trees, thus giving "much better financial yields."

But the commissioners con
The foresty Act of 1947 introduced grants for private woodland owners, and plantings increased rapidly.

Only nine years later, the commission reached another milestone, the Queen officiating at the formal planting of the millionth acre of nationalised trees. By 1976, the commission had 2m acres in trees and it

But the commissioners con-ceded that their policy was to some extent spoiling the landareas, avoiding straight edges to

reduced in from the Crown. It bad planted Newly-planted areas, only 20 ask itself what this year's £2.4bn economic almost 140,000 acres of its bold-years old at the most, were not wood import bill will look like. Newly-planted areas, only 20 ask itself what this year's £2.4bn ing, and was nursing more than sultable for wartime, and the in 60, 150 or even 300 years.

private woodlands during the 1914-18 war. half its staff was occupied planting new trees, the other balf was busy chopping down the

old.

But once again the strategic

had 2m acres in trees and it

is still expanding.
It has 2.2m acres of forest scape. They suggested planting and 190,000 acres awaiting hardwood trees in strategic planting. Including private areas, avoiding straight edges to woodlands extending across

Concern grows over council house sales

to buy their own bomes.

areas because of pressures on

The conference said there is far less council bousing in the countryside, that private rented bousing is disappearing. Also lower local wages, pressures from commuters and demands for second bomes are forcing the price of rural bouses up. The conference wants safe-

guards on re-sales such as limiting them to people living within an area of a maximum of 10

WIDESPREAD concern has fol- of the Government's Housing lowed Government proposals to give all council tenants the right —rural areas get only half the -rural areas get only half the national average because It The Rural Community Coun- feels that the bousing authority cils' Standing Conference is still bas an important part to urging the Government to safe-guard bousing stocks in rural The National Housing and Town Planning Council bas also shown some concern of the Government's "right to buy" proposals. It believes that inducements for council tenants to huy, like the £100 option to purchase at a later date, but at a fixed price was "reminiscent of the seedier aspects of hire-

This coupled with other "cutmards on re-sales such as limitng them to people living within
n area of a maximum of 10
Tiles.
The National Housing and Town Planning
Council believed would encourage financial over ambition among council tenants.

Burton Group chairman will retire next year

MR. LADISLAS RICE is planning to retire as chairman of the Mr. Rice himself and the Burton Group on January 1 next reshuffle was agreed amicably, Under proposals which will be put to the board of the retail chain this week, Mr. Rice will be succeeded as chairman by the present chief executive, Mr. Cyril Spencer, but will remain on the board as non-

executive vice-chairman. Mr. Spencer will hold the position of chief executive jointly with Mr. Ralph Halpern. the present deputy managing director, Mr. Halpern will be succeeded by Mr. Brian North, the group's finance director.

according to Mr. Gerry Slater, the company secretary. Mr. Slater said it had always been Mr. Rice's intention to retire in January 1981. He had brought the decision forward by a year for personal reasons and because be believed the recovery of the

Under Mr. Spencer, who took over as chief executive three years ago, the Burton Group bas recovered from losses of £2.4m in 1976 to profits before tax of £7.6m last year.

Electricity up by 20%

month.

The electricity industry's provision budget figures show that

at least 20 per cent are expected next spring.

Gas charges are also due to rise, by 30 per cent in two stages, the first next spring. The electricity increase will come on top of a rise of nearly 9 per cent announced last month.

even if the miners settle for a pay increase of about 20 per cent, and coal prices keep pace with inflation, price increases of 20 per cent, passed on to the consumer, will be necessary.

Mr. David Howell, Energy Secretary, would bave preferred to defer an increase of this size. or at least introduce it in stages.

ELECTRICITY PRICE rises of even if the miners settle for

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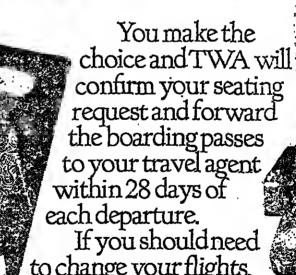
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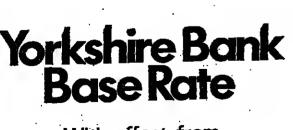
people who enjoys queueing at airports.

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Leeds LS1 2UL



Civil engineering orders show drop

significant deterioration to their position, according to the latest quarterly workload survey carried out by the Federa an increasingly high level of tion of Civil Engineering Con- plant lying idle, as the "catch-

day that its October survey worked its way through. shows that the industry had The market was declining markedly fewer new orders with clients offering smaller compared with six and 12 contracts, said the federation.

six months ago, and 51 per cent reported the same of a year sized companies.

More concerns had reported period which followed the actors.

The Federation said yester—bad weather and industrial action of last winter had now

Twelve per cent of construction stable sector. As a result of affected by the recession, with Of the 243 companies reply-companies replying to the sur-these changes, future employ- an increase in order books as ig to the survey, 67 per cent vey said they had no civil ment prospects are expected to compared with six months ago.

dominantly among medium-

Forward projections for civil engineering work had worsened significantly. There was less optimism on projections for new orders, already seen as a declin-

ing sector.

"A substantial proportion of maintain their current levels, respondents now also expect but not exceed them repair and maintenance to However. London decline. Previously, this had been regarded as a relatively

replying expected new orders to fall in the next 12 months. Only 10 per cent expected new orders to increase. Companies anticipated a fall of 36 per cent in orders for repair and maintenance over the next year, and 58 per cent expected orders to

However, London and the south-east have, according to the survey, continued to be the least affected by the recession, with an increase in order books as

CIVIL ENGINEERING com- said that orders were either at engineering work on their worsen," the federation added. more invitations to tender and panies in the UK have suffered the same level or below that of books at all. These were pre- Almost half the companies an increase in the average size

The north-east also appeared to be less affected than other regions, with an improved level of tenders, albeit it from a very low base.

East Anglia, the north-west. North Wales and Scotland appeared to have the worst decline, steepest in North Wales. In Scotland, it now appears that work associated with the offshore oil industry is no longer sufficient to check the underlying downward trend, says the

demand after the higher VAT

imposed in the Budget. There is also a feeling among retailers

that consumers are having a "final fling" before the reces-

sion begins to bite next year.

The unemployment index also

Chamber plea for **Dockland**

THE LONDON Chamber Commerce and Industry has urged Mr. Michael Heseltine Environment Secretary, to speed the setting up of the urban development corporation to encourage regeneration of London's dockland.
In a letter to Mr. Heseitine

the Chamber said it is anxion to see developments and regeneration promoted in the area. It has been concerned for several years at the alow rate of progress. It welcomed the com cept of the urban development corporation as a means of overcoming problems which have proved intractable to existing authorities and of promoting th renewal of Docklands. The chamber said the pli

has been through all the necess sary statutory consultative pri

The letter also said it is tin abolish the Industri Development Certificate system in the Dockland areas. This is showed an improvement, with the index falling from plus 37 per cent to plus 32 per cent. In to prevent time being waste by officials of the new corpora November, some 44 per cent of tion having to argue the cas for industrial development with

the survey thought unemployment would increase, while 12 the Industry Department.
"There are no grounds for per cent thought it would hampering the work of the The Financial Times survey urban development corporation of consumer confidence was carried out between November and deterring potential developers by retaining a system devised at a time of 1 and 7 by the British Market Research Bureau on behalf of industrial expansion when the the Financial Times. A sample problem was congestion not of 941 adults was interviewed. dereliction."

Coutts & Co. announce that their Base Rate will be increased from 15½% to 17% per annum on 19th November 1979 until further notice.

The Deposit Rate on monies subject to seven days' notice of withdrawal will increase from 13½% to 15% per annum.

No retail sales boom from tax rebates

BY DAYID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

Consumers in the survey were asked in particular whether they had saved or spent their rebate. Some 44 per cent of tha sample said they had spent their rebate, while 13 per cent said that it had been saved. However, 35 per cent of the total sample said that they had not received any rebate.

The results of this survey were broadly in line with those achieved in an early survey as to what consumers intended to do with their rebates.

However, the extra spending power made available in October was not generally reflected

60% ALL APULTS

FEW CONSUMERS saved their gests that consumers spent their tax rebates received during rebates either paying off pre-October, according to the latest viously incurred debts—which October, according to the financed tha pre-bugger financed that pre-bug telephone bills.

Moreover, the tax rebates appeared to have done little to stimulate consumer confidence in the future of the economy. The November index of future confidence fell again from minus 33 per cent to reach minus 35 per cent, still much lower than during last winter's industrial disputes. The November survey found that 14 per cent of consumers expected conditions to improve—the same as last month—but 49 per cent (2 per cent more than last month) expected conditions to worsen. In addition, the six-monthly

-which reflects the longer

- PAST PROSPERITY

ABC I MEN

minus 32 per cent. This sharp fall was due to the General Election and pre-Budget auphoria no longer being included in the six-month period under review. The main reason for pessi-

mism, according to the survey. continued to be the effects of inflation which was mentioned by 36 per cent. The Conservative Government's policies were blamed by 26 per cent, while a fifth simply felt that the trend was "to get worse." However, strikes appeared to diminish in importance as a cause for concern since they were given as a ceason by only 10 per cent, compared with 26 per cent last month.

Pessimism

The minority of optimists in the survey could do little more than base their optimism on the hope that "things must im-

This was quoted by 57 per cent of the sample, no from 51 per cent last month. Just nuder a third—slightly less than last month—felt that the Conservative Government's policles were a cause for optimism. Only 2 per cent of optimists thought that tax concessions

were a suitable cause for hope Analysis of the survey by confidence of ABC1 men (professional and executive) increased, while all other subgroups declined. The ABC1

term trend-also fell abarply for ABC1 women the index rose from minus 19 per cent to minua from minus 24 per cent to

The index for C2DE men (manual workers) showed a decline from minus 26 per cent to minus 41 per cent, while that C2DE women fell from minus 37 per cent to minus 38

Analysis by age-group shows fairly even spread of falling confidence, although the drop was slightly bigger among the 35 to 54 age group. Regional differences also show

very little change, with Scotland and the North-East continuing to show the greatest depression.

Although future confidence mains depressed, the survey did show another improvement in how consumers felt compared with a year ago. The index of past prosperity rose by six points to minus 6 per cent, Some 29 per cent of the survey felt better off than a year ago. while 35 per cent felt worse off. The October tax rebates, apparently used for repaying debts, was probably the main factor beind the improvement in

the feeling of past prosperity.

Not deterred

Similarly, lack of confidence in the future is not deterring consumers from believing that now is a good time to buy consumer durables. The November "time to buy" index stood at social sub-groups shows that the plus 15 per cent, a rise of 4 per cent on last month. Some 43 per cent thought it a good time to buy, with 28 per cent believing it was not. This improvement index for men fell by six points had been expected following the to minus 27 per cent, although depressed levels of consumer

Bill aims to help Scots angler.

A BILL to give anglers rights He says it would end syndicates over the control of freshwater of rich businessmen effectively fishing in Scotland, rather than wealthy landowners," will go the Commons next

Mr. Dennis Canavan, Labour MP for Stirlingshire West, will introduce a measure under the

excloding working people from Scotland's most popular sport Mr. Cenavan said: "Present

legislation is very unsatisfactory and too much power lies in the His proposal would set up a Ten Minute Rule procedure, to trust whose members would be set up a Scottish Angler Trust. elected by anglers.

Minister to open M-way section

KENNETH CLARKE, section northwards from the A120 interchange to the round-Transport Secretary, will open about junction with the Allthe 15-mile length of the M11 London-Norwich trunk road, at motorway between Bishop's Stump Cross. The new section will provide relief to many Stortford, Herts and Stump Cross on November 28. The new villages along the All which length extends the 23-mile have suffered from heavy traffic Redbridge to Bishop's Stortford for many years.

Grindlays Bank Limited Interest Rates

Grindlays Bank Limited announce that their base rate for lending will change from 14% to 17%

with effect from 19th November, 1979 The interest rates paid on call deposits will be:call deposits of £1,000 and over 15% (call deposits of £300-£999 14%)

Rates of interest on fixed deposits of over £10,000 will be quoted on request.



Bank of Ireland

announces that the following rate will apply from and including

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Base Lending Rate 17% per annum

Bank of Ireland

Bank of **New South Wales**



Bank of New South Wales announces that with effect from Monday, 19th November, 1979 its base rate for lending will be increased from 14% to 17% per annum.

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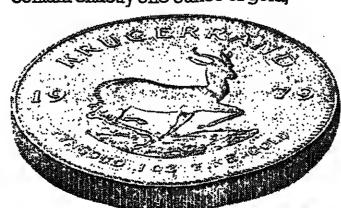
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and benefits."

"We consider that the best strategy to cope with the prob-

lem of resistance includes the continuing development of new

plant varieties, and the intro-duction of new products with

different chemical structures

coupled with the wider dis-

semination of good advice to growers on which treatments to

nse and how best to integrate

crop protection measures in crop growing programmes."

Neither does it approve of

the commission's view that parts of the Food and Drug Acts should be amended so that

producers did not have to

produce absolutely pest-free

According to the association

sales of pesticides to the home

and export markets in the first

six months of this year amoun-

ted to £288.3m compared with

products.

THE British Agrochemical should be used, a is that they Association does not accept the should be used risely with a Asociation does not accept the recommendation of the Royal Commission on Environmental Pollution that the use of pesticides should be reduced to a and fungicides is of concern minimum consistent with effi- but says:

cient food production. The association says such a policy would be inapplicable and efficient food production depended on the optimal use of

In a formal response to the commission's seventh report, the association defended the amount of pesticides used at present to maintain crop yields.
It is dissappointed that the

Royal Commission did not recommend that further efforts be made to reduce the deliberate and accidental misuse of

The commission said the continued use of pesticides was essential to maintain crop yields and therefore to keep down costs of agricultural products and the price of food to the

Our concern is not with the question of whather pesticides £148.3m last year.

Building costs raised by delays

PLANNING PERMISSION delays are pushing up the cost of housing by 20 to 25 per cent according to Sir Maurice chairman of John

In an interview published in Property Monthly Review, Str Maurice said that it can now take up to four years to build on a site where once it balanced assessment of risks only took ten weeks from buying land to the start of The association acknowledges huilding. that resistance to insecticides

Sir Maurice was also con-cerned about Britain's infra-structure. He said: "Water. structure. He said: "Water. sewerage, lighting all communications, harbours, etc., used to be the best in the world at the turn of the century, and now its getting to be the worst in the western Also Sir Maurice believed

that Britain would have a worse time than many countries if the forecast world recession took place, and be thought that the property market would suffer with it. He said: "The demand for commercial property is not going to be anywhere near as great as it has been in the last 20 years." However, be thought that big chain stores would continue the trend towards expansion in smaller centres of population, and towns of 20 to 30,000 will see

a move from the smaller shop-

keeper to the multiples."

BRITISH TRAVEL AGENTS' CONVENTION

Sun with gloomy prospects

BY ARTHUR SANDLES IN LOS ANGELES

have been arriving. Now there are more than 2,000 delegates tors have been so willing to dis- sures of oil crises and low air to the annual conference of the Association of British Travel Agents, their spouses, and assor-

Every year as the British winter starts many in the travel industry flit off to foreign parts. Last year it was the Costa del Sol, next year it will be Flurence. This time it is the sunny glamour of Southern California.

It is easy to dismiss it as unfashionable money wasting, sunshine fiddling while London freezes. In fact that ABTA convention, which has as much sidelines entertainment as any other such gathering, is also the ona occasion when members of one of the nation's biggest businesses get together. Domestic and foreign tourism. both incoming and outgoing, has a turnover approaching £6bn a

This year's convention has an unwelcome edge. The gathering, which begins this morning, will be part celebration and part wake: This has been a reasonable year for tourism, given all the adverse factors; but just about every pointer suggests that next year is going to be a travel year that most in the

ndustry will want to forget. looking nervously at the pros- tickled pink at the In ten years of attending pects for tha early 1980s the is being stirred up. industry will want to forget.

recall a time when tour opera- the perhaps contradictory prescuss how badly they are doing with their winter sunshine holidays and have been so nervous ted peripheral personnel who about prospects for the main want to catch their attention or hear what is going on.

display they talk bravely to

try to panie their rivals. The one bright spot in recent months, and the reason why cause delays and additional ea-British travel agents have pense which the industry, with British travel agents have gathered in Los Angeles, is the remarkable growth of traffic from Britain to the U.S. As the number of Americans coming to Europe has fallen so the number of Europeans, and Britons in particular going to America has leapt.

be the year in which as many Britons go to the U.S. as Americans come to Britain, America's gain has been Spain'a loss with the summer seeing a remarkable

Some suggest that 1980 will

dip in its popularity. Tour operators have shown their irritation, and reflected consumer demand by finding as many alternatives to the traditional Spanish locations as possible, but even in hard economic times such as these few other areas have fhe bed capacity of

the Spanish resorts. But when they are not looking back over the past summer and

ALL WEEKEND the British ABTA conventions I cannot delegates will concentrate on fares on future travel trends. Nothing worries market more than tak of escalating fuel prices. The industry diskikes surcharge almost as much as passengers

> its narrow margins (a succe tour operator makes about £10 profit per passenger) is dis-equipped to deal with. Unfortunately for the operators the market is so price-sensi

do. Unexpected fuel shortages

tive and so overbure capacity that talk of incre these margins through bas price rises is irrelevant.

The words "low air fares ections. Hoteliers and nation tourist organisations are delighted by the prospect b sirines are half in favour on helf horrified that their tradicharges is being disrupted by rebels from the inside and intruders without tour operators are concerned that their own profested. their own protected world of charter flights is about to he invaded: and airline entrepre neurs like Sir Freddie Lak who is here this week are tickled pink at the dust which

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5) CUT/LENGTH LINE 400 mm × 3 mm. 6) WIRE FLATTENING AND NARROW STRIP ROLL two stand by R.W.F. 10in x 8in rolls.

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13) No. 1 FICEP SCRAP SHEAR, 75 x 35 mm bar. (14) SHEET LEVELLING ROLLS, 920, 1,150 and 1,850 min wide 15) HYDRAULIC SCRAP BALING PREST. Fielding & Plate 16) FORGING HAMMER 3 CWC stide type, Massey.

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non-slip Drawblocks). 20) 1972 WERE STRAIGHTEN AND CUT-TO-LENGTH MACHINE.

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UK NEWS-LABOUR

Union to discuss next move in BBC dispute

BY GARETH GRIPFITHS, LABOUR STAFF

casting Staff national executive give. will meet today to discuss the 14,000 strong union's next move in the mounting dispute with the BBC over regrading pro-

At the weekend 18 technical managers who run studio crews were instructed to go on a 24hour strike. They were joined by 100 crew and studio staff who refused to work with the staff BBC management had intended should cover for the striking

The BBC has said it regards the 100 staff as having broken their contracts and no longer on the pay roll. It is refusing to accept the technical managers back unless they undertake to work normally. The BBC also wants assurances from the ABS

THE ASSOCIATION of Broad- which the union has refused to the BBC's decision to suspend

Mr. Paddy Leech, ABS amistant general secretary, Said the unin would not be provoked by the BBC's attitude. He did not expect further industrial action until after today's executive meeting. The ABS is committed to supporting staff affected by regrading freeze which dispute Wednesday night.

Restructuring

staff regradings from November

There are about 1,000 regrading claims outstanding. The union says it wants the suspension lifted and is making indusaction by staff affected

Programmes already hit by the dispute include sports pro-grammes, the Miss World con-test, the children's programme Bulti Coloured Swapshop, and

The BBC wants to replace its Advisory Conciliation and present regrading system, which Arbitration Service officials Advisory Conciliation and it says is on the verge of col-whope to arrange a meeting with lapse, with a new pay structure but sides this week. But on to be introduced by April 1980. Friday night, after separate Eventually it would cover 16,000 takes with the BBC and ABS. BBC staff. The ABS has agreed, they said there seemed attle to restructuring, but is angry at scope for conciliation.

Bid to improve training

voluntary registration scheme trade union representatives on for courses for industrial train-the inquiry, said the TULVIng staff. It is part of a three-would support procedures for point plan to improve standards. the commission enabling it to. It is intended for colleges of ensure there would be the further and higher education, widest possible consultations private organisations and trainithin the party.

It would look at membership, Industrial Training Boards. The finances, electoral organisation, scheme covers courses on the organisation of managing and political education and cam organisation of m paigning activities at all levels on training advice.

Shotton action in balance

BY ROBIN REEYES

OFFICIALS of trade unions at the British Steel Corporation's Shotton Works, North Weles, will meet this afternoon to decide whether to continue the fight against BSC's plan to end its fron and steel making or negotiate severance terms.

The outcome was describe yesterday as finely balanced The Transport and General Workers Union, the second largest among Shoton's 10,500 workforce, is committed of contimuing the fight.

But a mass meeting of the

four craft unions at Shotton has have the blast furnacement.

Representatives of the larges union, the Iron and Steel Trade Confederation, which has more than 6,000 members, will meet-this morning to hear the out-

come of branch discussion The membership is split with blue collar branches tending to opt for redundancy and white collar branches to continu

fighting A Nettingham meeting of Conservative trade unionists' urged the Government to direct BSC to examine ways to main-Shotton and the possibility of making it an alternative source to BSC for sheet steel.

Basnett seeks range of views in Labour inquiry

THE COMMISSION of inquiry into the way the Labour Party is run should consult the widest possible range of opinions in the party. Mr. David Basnett, general secretary of the General and Municipal Workers' onion and chairman of Trade Unionists for a Labour Victory,

within the party.

CONTRACTS Lovell (Midland) awarded £2m industrial project

Y. J. LOVELL (MIDLAND), a ding systems for three construction the Marines. The order is for glass containers. Johnson Rad Lovell Construction company, has been awarded a contract Largest order, worth flm, is for mounting frame which enables of mould to cope with its output worth over 12m for redevelopment installation using rapid changeover from vehicle a government installation using rapid changeover from vehicle BAT (UK and Export) has now containers. Johnson Rad in projects in Saudi Arabia manpack radios and includes e ley is producing 50 different sets of mounting frame which enables of mould to cope with its output to manpack to vehicle roles.

BAT (UK and Export) has now a contact of the manpack to vehicle roles. site at Greenford, Middlesex, for Percy Bilton. Work includes demolition of structures on the site, and construction of 14 industrial and warehouse units in five blocks. Completion is scheduled for May 1981.

NOLTON COMMUNICATIONS, Cheshunt, has an order worth about £120,000 from the North West Water Authority for 279 Nova AM/FM radios, and 75 Sabre AM radios. The equipment will be used to cootrol the Anthority's fleet of service and installation vehicles.

6,000 sq metres of protected roof and wall cladding and 10,000 sq metres of the company's architectural wall system.

Britannia Building Society has ordered an ICL 2972 compater. system, valued at nearly £2m, from INTERNATIONAL COM-PUTERS. The 2972 will be installed mid-1980 when the Britannia's new computer block bas been built at Leek, Staffs. It is expected to be fully operational in January 1981.

An order valued et £540,000 has been won in the Middle East by OCS (EXPORT), London, a com-pany formed by the Office Cleanorder, R. M. Moody, Bridgwater, Somerset, shirt manufacturer within the OCS Group, will be producing 90,000 combat shirts,

JOHNSON RADLEY, mould and casting division of United Glass, has won a contract to supply complete mould equipment for a installation vebicles.

Classman VHF radio community.

Classman VHF radio community.

Classman VHF radio community.

R. H. ROBERTSON (UK), export division, bas won orders worth f1.6m for building clad.

Classman VHF radio community.

Classman VHF radio community.

The complete month equipment for a new glass container factory tions equipment, worth f200-20, shortly to become operational in made by RACAL-TACTICOM is Panama. Vidrios Panamenos SA to be supplied to the Royal is based hear Panama City and Netberlands Navy, for use by will manufacture a variety of the community.

BAT (UK and Export) has ordered a BURROUGHS B 6800 large-scale computer system to following the launch of its State Express 555 cigarettes. Up: term hardware/software stra-tegy, the £750,000 system will be installed on a rental besis at it, beadquarters in Woking.

the design and supply of a trave ling shiploader to bandle bu machine will operate on a ner fetty to be built alongside : Manchester Ship Canal at the Ir Weston Point Works, Runcer: Cheshire.



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The course content

The complete course comprises a ready-to-use microprocessor, an instruction manual and six detailed booklets. You can learn in your own time and at your own pace, or you can use the material to organise an in-house scheme of your own.

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Practical exercises enable you to become familiar with programming.

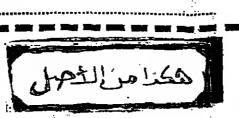
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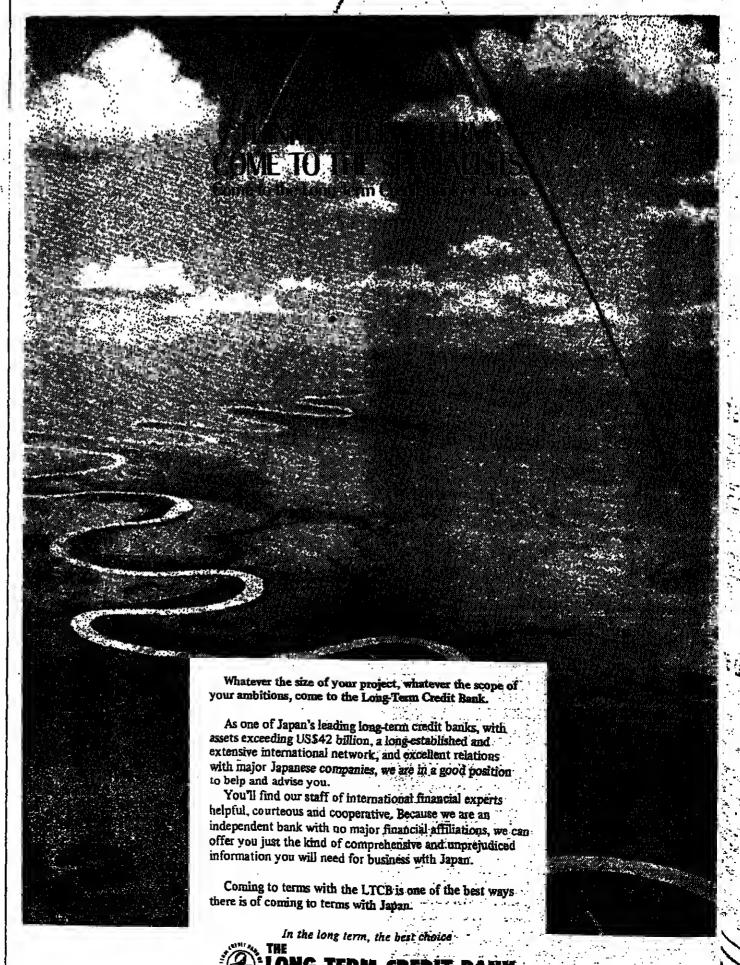
The remaining booklets cover choosing a microprocessor for your application, the development and production of a microprocessor-based product, and the financial and personnel implications of the ! new technology. Specialist subjects such as reliability, training and estimating productivity are also covered.

inclusive of all work materials and a microprocessor, the course, which will become available later in the year, will cost £120.

To receive further details of the course, just complete and post the coupon.

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TEXTILES

Dyeing process demands less energy

entire industry. In a survey recently carried out in Britain it was revealed, as expected, that the greatest savings over the next few years are likely to be made in the reduction of the amount of energy required to heat up water, to cool it, to apply it to textiles only to remove it subsequently.

Dielectric heating has a great deal to offer in that it only consumes electricity when it is heating water. It requires no warm-up period and it is precise in its application.

This is a system that is now being used for dye fixation and bleaching of fibres during pro-

A completely new machine has recently been designed and built by Smith Textile Machinery (Goodlad Street, Woolfold, Bnry, BL8 1SG. Tel. 061 764 1695) and which is described as tha 'Fastran' electronic dye fixation and bleaching macbine.

Undyed fibres are fed through a pad in which dye liquor is pressed into them via a nip

WET PROCESSING of textiles with the unfixed dyestuff—or it is one of the most energy—could be a bleach—is next fed consuming treatments in the via a bopper to a piston feed entire industry. In a survey acction which forces the fibre continuously through a tube which carries the impregnated mass through the radio frequency field where the water is rapidly raised to the boil and so fixes the dyestuff within the fibres.

The operating temperature within the mass of moist fibre is somewhat above 100 degrees C and this is an aid to fixing. After this, the mass emerges from the field and is given a wash-off followed hy

Fastran EDF process are a rapid and more even beating throughout the mass of fibres, excellent dye penatration and fixation in a minimum of time, optimum fibre condition after dyeing or bleaching and substantial sayings in dyestuffs.

The process requires a minimum of labour, reduces the effluent because less water is used initially, saves on space requirements in the dyebouse, dyes very rapidly and offers an effective means of reducing the roller arrangement. The fibre energy required in dyeing.

• RESEARCH

Test facility expansion

BRITISH Aerospace Dynamics sand and dust; salt corrosion; Group bas announced that it is exposure to sunlight; fungal investing film in a major re- growth;

When completed in 1980, it conditions. will provide one of the most up-to-date and comprebensive

testing facilities in the UK. under a full range of climatic ground support equipment. I

and vibration conditions. Typical climatic environments to industry as a Test House, that can be simulated in the testing a wide variety of various test chambers are: high products ranging from motor and low temperatures at either high or low hamidity; bigh tion to domestic products and aititude: rain and fine mist; packaging.

temperature equipment and expansion pro- mecbanical shock; and gramme in its Environmental mechanical vibration covering Engineering Department at a range of frequencies with the Stevenage, Herts. option of simultaneous climatic

lisbed 25 years ago to provide environmental test facilities for The existing capability of the the organisation's own use, department is already consider-able and products can be tested weapons and their associated offerts its services commercially cars and electronic instrumenta-

DATA PROCESSING -

Aids the craughtsman

facilities for the creation and scheduling of circuit and diagrams and for the lavout of printed circuit haards is available for use with make-ani-4081 interactiva graphics sys-

Cablos, designates the software package, for use by engin-No knowledge of cornputers or computer programs is required for its operation.

The package provides virth ally unlimited capacity for attach ing drawings and sumbal libraries. Sketches may be cap-tured and edited by digities. from menus of component servbols and line styles, and instantaneous changes can be made to the form of drawing presen-

readlly adaptable to cabling layouts, plping and instrumentapritter lavouts.

Antonetic of interactive pro-cient for the generation and electrication of three-dimensional objects with hidden line

It runs on the 4081 Developed by Autoprod Com-puter Graphics of UK, the softeriminates the timeconsuming manual effort of governing perspective draw-ings. The object under design is defined only once and as different views required are generated in minutes as opposed to days of manual draughting.

Tektroniz UK, House, PoB 69, Beaverton Interactive Systems, Cabos is Herrs, Herpenden 63141.

Retrieving the facts

AGRICULTURAL division of UK and in Holland, France and ICI has concluded an agreemant the U.S. via the SIA network. with Service in Informatics and Analysia (SLA) under which the latter will market a computer vices en Informatique)—Wes-bureau service based on tern Europe's largest indepen-Assassin, a text-retrieval pack-

and marketed. The agreement also enables SIA to lease the computer software for use on customers' own equipment.

Assassin system is now installed on SIA's CDC machines and is available on the Cyberpower Service throughout the

ployed within ICI, is also used by the Greater London Council, the Central Electricity Generating Board, Tube Investment Group Services and various research associations. SIA on 01-730 4549.

SIA is owned by CISI (Com-

pagnie Internationale de Ser-

dent computer network services

extensively

group. Assassin,

More disc drives offered

made by both CPU Peripherals, which is offering a Sbugart prodnct, and BASF, of fixed disc drives using the Winchester

The Sbngart SA1000 provides five megabytes capacity for under £1,000 in one off quantities and there will also be a model offering 10 megahytes using two platters.

Main point made by CPU is that it is possible to simply replace their existing eight inch floppy drive with the new Winchester so as to uprate the installation, without changes to the enclosure. Result is in- 8971).

creased capacity, faster access time and an overall increase in

throughput. Offering from BASF is in the larger size of 210mm and provides the user with the choice of eight megabytes and 24 Mbytes by means of either one or two discs per spindle. This unit also gives the user the bigh capacity and reliability of fixed disc transfer and also transfer and als fixed disc working in a relatively low cost floppy-sized

package.
CPU Peripherals is at Copse Road, St John's, Woking, Sur-rey (04862 73883) and BASE United Kingdom is at 2 Fitzro Street,

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PROCESSING

Hall Food processing made more efficient

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"Storeveyor" eliminates the temporary storage problems wblch stem unavoidably from the different volumes of output from processing and packaging

Loose foods are processedcooked, frozen, cut, trimmed, cbipped, etc-continuously and at a fixed rate of output. Packagmachinery which must fill

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Meters from Vienna

. INSTRUMENTS

identical continuity. During any given operational period there tre times when the packing plant will outstrio in production the processing, and vice versa. When this occurs, temporary storage facilities must be avail-

able to handle the processed bulk foodstuffs. Conventionally, dump bins are used to take up the slack. and hence the waste of buman resources-needed for manhandling such bins—and waste of product through the spillage, breakage and aging caused by sucb manhandling, are inevit-

ably high. Storeveyor ends waste by

frequency probes.

Normatest D 1210 measures of the 13 ranges. Making use

meter is powered by alkali- mains and battery operation.

designed to overlap at the filling point to ensure no spillage. They take product to a hopper with sufficient capacity to store the differential between processing and packing.

To ensure that the hopper does not discharge the product to the packing input conveyor -via another vibrator-in the chain products from Belvoir Inwrong age sequence or at an in- dustrial Factors, FREEPOST, correct speed, Uesco has devised Bingham, Nottingham NG13 a novel loading system. The &BR.

Huntingdonshire. Tsubaki fatigue-resistant roller

IN THE OFFICE

New microfilm reader

age is too low. Optional accesfrom Agfa-Gevaert takes film reels mounted into Copex or 2,000 hours is complete.

other NMA style magazines.

A seven digit displi sories include bigh voltage and

The other instrument, D 2300RC, bas a 9 mm LED matic threading when the maga- at any point. displays and the ruggedness to display and a relatively large zine is loaded after which there is a choice between low speed. selector wheel which allows single-banded switching to any variable between three and 30 mm/aec, and high speed of 2 millimetres/sec in aither direconly 160 x 100 x 50 mm, bas of integrated circuits and thin

an 18 mm liquid crystal display, film technology, the instrument and offers 15 ranges covering can measure DC voltage, resis-AC and DC voltage, resistance, tance from 20 obms to 20 integral storage space is in- 650 x 570 mm, weight 20 kg. megobms, and capacitance from conductor testing is available 2 nanoforads to 20 microfarads, cluded in the design so that on all the resistance ranges. The Models are available for both operators can keep up to ten Road, Brentford, Middx. (01-560 magazines available.

TWO OF THE latest multi-manganese cells and an KNOWN AS Copex LR16, the The 12 volt 100 watt lamp is meters, made by Norma of indicator shows when the volt-latest 16 mm microfilm reader convection cooled and is easily

accommodate all film A standard reel takes 15 lens for magnifications of 21, seconds to wind through and an 36 or 42. Dimensions are 380 x

changed after its life of about

A seven digit display indi-Motorised drive gives auto- cates the length of film travel

modes, the unit is equipped with a prism that may be rotated to rectify the image. Viewing area is 365 x 380 mm and the machine can he fitted with More from 27 Great West

that it travels the length of the processing to packing, storing as required.

A vibrator discharges product into polypropylene buckets, carried in a continuous belt by a Tsubaki conveyor chain, and designed to round the bopper. Tipping its load only when activated by a sensing lever designed to round back and forth "seeking" the back MUCH IN the favour of a vehicle-borne displayed message designed to round back and forth "seeking" the back of the product already beld in vehicle-borne displayed message designed to round back and forth "seeking" the back of the product already beld in vehicle-borne displayed message designed to round back and forth "seeking" the back of the product already beld in vehicle-borne displayed message designed to round back and forth "seeking" the back of the product already beld in vehicle-borne displayed message and the bopper. vehicle-borne displayed-message communication terminal from Nolton Communications is the fact that it is available off the sand precisely behind the last batch or bucket-full. A continuous operation is thus

Known as the MCT-10, it is made by Kustom Electronics of ensured. Uesco Vibrators, Gamlingay, Iuntingdonshire. Details of

Chanute, Kansas, and consists essentially of an ASCII keyboard and an alpha-numeric display which makes use of a solid state dot matrix panel presenting 224 characters about 0.5 incb bigh in seven lines of text. Data rate of the machine is 1300 bits/sec and it amploys audio phase shift keying io the

300 to 3000 Hz band; it can thus modulate a vebicle radio as voice aignala would but with direct connection. It also has two character memories, one of which can be

COMMUNICATION

Messages

displayed

message while the other is keyboard for later transmission from the vehicle. One advantage is that a messaga can be received when there is no one in the vehicle. In addition there are special

function keys so that a number of standard messages can be keyed out of the memory to cover routine acknowledgement. emergencies and frequently repeated statements.

More from Fieldings Road, Chesbunt, Herts EN8 9TL (Waltham Cross 33555).

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ELECTRONICS

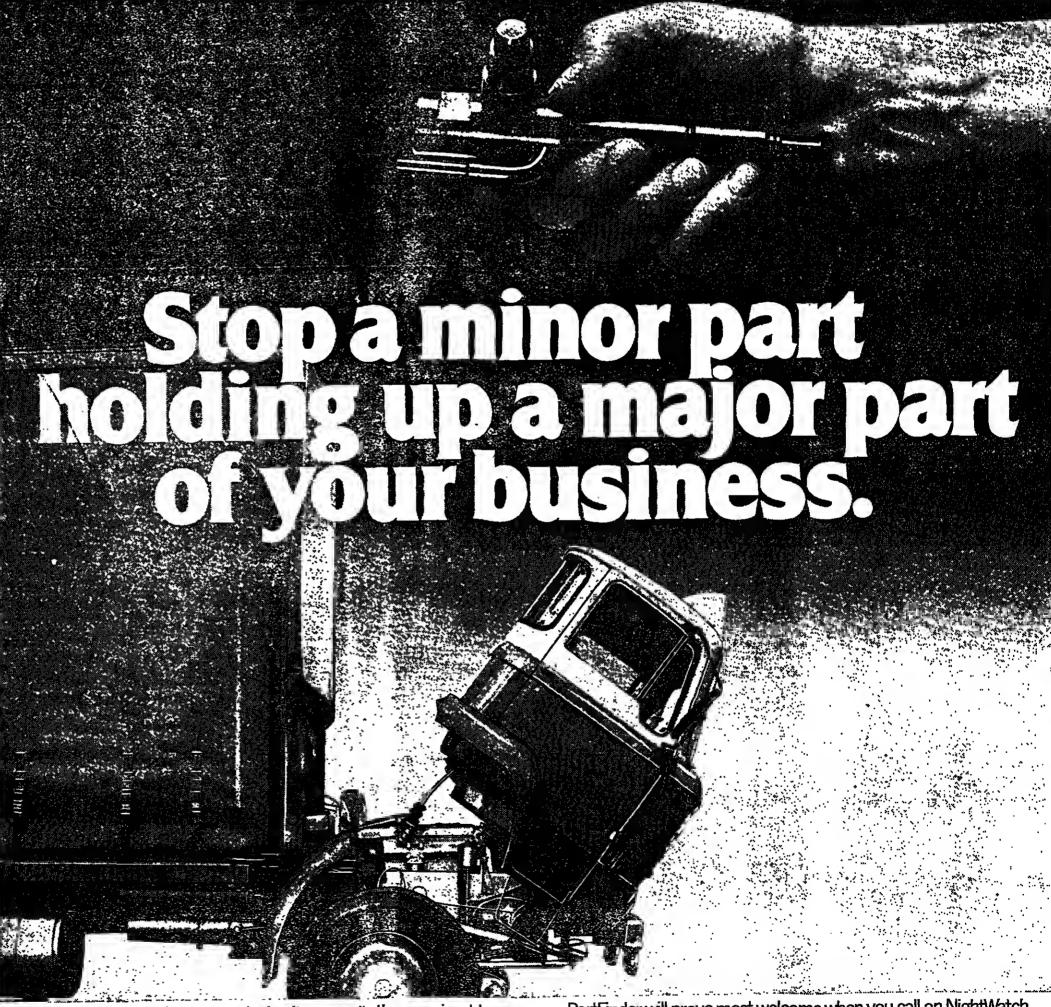
Aids testing of systems

OFFERED BY BFI Electronics is a portable bigb performance microprocessor system analyser, a diagnostic instrument that uses advanced interactive testing techniques to aid product development, production test-iog, field service or personnel. Unlike logic analyzers, the new unit provides interactive access to the micro's internal registers and to all system memory and input-output ports.

modify the contents of the program counter, the stack pointer or any register. Known as AQ8080Z, the unit is suitable for all Z80A, 8080A

It can be used to examine or

or 80S5A systems. Unlike emulators, the snalyser does not require the removal of the chip itself from the board; it can be soldered in. The user can test bis com-plete system intact while eliminating the possibility of damage to either chip or socket. More from 516, Walton Road, West Molesey, Surrey, KT8 0QF (01-241 4066).



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Building and Givil Engineering

£8½m contracts for Gleeson

of new work won by companies months. in the Gleeson Group goes to a coal winning task at Hollybank, Walsall valued at £4m. For the NCB, the company will recover 270,000 tonnes of coal, as well as build foundations and roads for a coal preparation plant.

Herne Bay, Eastcliffe, Phase II is the designation of a sea defence scheme the company is to undertake at a cost of £800,000 for Canterbury City

PRIDE OF place in \$8 m-worth be built over the next 12 at Rugeley B. For Severn Trent Water

Authority, a reinforced covered concrete reservoir will be built the Civic Centre Phase II at Enderby, Yorkshire for a scheme. This is a five-storey price of £380,000. Work on another reservoir,

worth £300,000 is for Central metres. Regional Council, Lennox Town, Dunbart. It is for an extension to the Muirhead Reservoir in and Rotherbam Metropolitan the form of a covered storage

Last of this group of five con-Council. tracts to Gleeson Civil Engineer- £125,250 award from British ing is a £145,000 job for the Steel for a new ingot casting pit access way and wave walls will CEGB to extend existing offices at Riverdon Works, Sheffield.

Two jobs in Kenya for Mowlem

office development and base- BIGGEST CONTRACT in 2 ment of about 7,000 square group worth altogether £8.3m, awarded to Mowlem Construction Company of Nairobi, is a job worth 54m to protect the Tana Power Station from flooding. It comes from the Kenya Power Company and takes account of the fact that the level of the Tana River will rise with the construction of the Masinga Dam and the formation of the Upper Reservoir.

New housing Engineering and Power INDUSTRIAL and commercial large industrial projects, each for Monk Sideup is the consulting engineer.

This group has specified the construction of an additional 50 foot reinforced concrete and and rock embankment around the station.

At Olkaria, where a 30MW geothermal power station is to bring together the research taking shape, the Mowlem asso- and development departments, ciate company has been awarded In the first phase, 92 two-storey bouses and 59 flats in two-storey blocks, plus one shop ancillaries and steam pipe foundations to a scheme designed by Merz and McLellan in association with Virkir Consultants of Reykjavik, Iceland.

Industrial

JARTAY DEVELOPMENTS has

secured design and construction

is for September next year.

In parallel with this project,

estate in

Essex

The group is to build housing for staff associated with the geothermal project under a third contract and 83 dwellings are to be erected under a £1m

parking areas and extensive

contract The two-storey structure will have a pre-cast concrete frame and be clad externally with stone-coloured exposed aggregate panels and have anodised aluminium door and window frames. The site will be completed with service roads, car

Work has just started on two

Seabrook Potato Crisps, and the other comprises three large speculative industrial units at Airedala Park, Shipley, for Centregate Properties of Leeds. Centregate Properties of Leeds. A. Monk and Company, totalling In Leeds centre in Oxford £1,261,000. Place work has started on the Downstream of Runcorn demolition of buildings prior to Docks, a £179,762 contract has tha erection of a prestigious been awarded by Manchester four-storey, insitu concrete Ship Canal Company for concide block for occupation by Manchester and Darham an Simon Houlston and Partners, forming a closure of Western estate agents, under a £200,000

Wear, from Scottish and News

Work has also commenced on repairs to United Biscuits at Ovenden, following a fire in the paper and packaging depart-

Insulated Systems, and

A mix of work for Wimpey

concrete enclosed in brickwork, four separate blocks.

ding is in brickwork and/or dock levellers.

Marshall gets over £3m

A £3m contract for the Not-

Construction has started of a

Marshall Construction Group,

A design and build award for

the new office and laboratory

complex at Holywell Green, Stainland, for Hoechst UK, is worth more than £1m. This

will provide 35,000 square feet

of high quality accommodation

and the sales and administra-

Hoechst.

Elland, total over 23m.

iogs at Warrington.

Preparing the ground

CENTRAL LANCASHIRE De to the north and the new velopment Corporation has scheme resulting from discus-awarded a £339,320 contract to sions between the Council and Rennedy Civil Engineering, CLDC, will complement these.
Wythenshawe, Manchester, for Forming part of the initial roadworks sewers and a bridge across the River Lostock, to prepare the way for housing and industry in parkland and other

New housing is planned for about 34 acres, and a further 24 acres are earmarked for light and general industry and ware-

South Ribble Borough Council, assisted by the Corporation, is already carrying out housing and environmental improvement projects in the Ward Street area

PERSTORP FERGUSON'S con-

tinued expansion on its Aycliffe,

Co. Durham, site bas brought

it to place a 34-week contract

with Shepherd Building Service

who will supply all design and build requirements, bringing

the total value of work undertaken there to a figure above £1m. Presently a further extension of the moulding compound capacity and the construction of

an office and laboratory building

At York, work has started on two other major design and

build projects: a one-year £765,000 scheme to carry out

alterations to storage premises of confectioner Rowntree Mackintosh; and a £1m ware-

bouse extension for printer Ben

Work is being completed on

another Rowntree project at

Fawdon, where Shepherd has been responsible for a new lorry

build

are in hand.

Johnson and Co.

projects

ing kickabout and play areas parkland, trees, footpaths and

Design and

Orders have been placed by Redpath Dorman Long (Con-tracting) and the work consists

LUTON OFFICE of Wimpey has Peterlee Development Cor. houses has been set up on a taken a job worth over £2.7m poration, Co. Durham, hes private development estate at from General Motors for the awarded a further contract for Selsdon, near Croydon, Surrey, construction of a central office the construction of advanced by Wimpey Laboratories.

block at Brickhill Street, Milton factories on the south west in Houses similar in concept dustrial estate at Peteriee. This and design to those at Selsdon The three-floor structure will work is valued at about would reduce fumuelpsconiotn provide about 7,000 sq metres \$800,000 and comprises the would reduce fuel consumption of new accommodation and it erection of seven workshop by about 50 per cent because of will be built in in itu reinforced units and 12 starter units in the inclusion of several features which were non-standard when Newcastle office of Wimpey the houses were designed, says tingham office of Wimpey is has won a £467,000 contract for the company.

from Peterborough Develop- the construction of facilities at These include increased loft ment Corporation for 210 dwell- Waverley Vintners, Felling insulation, draught stripped Waverley Vintners, Felling insulation, draught - stripped Industrial Estate, Type and doors and windows, and low output heating systems geared to mixture of houses, flats and castle Breweries. It includes the reduced demand. Such bungalows in timber frame design with components supplied line, construction of a security floor slabs are now incorporated under the current Midland area, open plan offices, caged in Wimpey basic house specifications. Consortium prospersions of resignification of ramps for cavity-filled walls, are being gramme. In general, the cladary dock levellers. floor slabs are now incorporated in Wimpey basic house specificaoffered to purchasers as optional An exhibition of low-energy extras.

Three tasks

One is a single and two-storey factory warehouse and offices for CHESHIRE, BERKSHIRE and North Yorkshire are three counties in which civil engineering contracts have been awarded to

Mersey Lock.

· Nearby, at Frodsham, further work for M.S.C. Company, valued at £200,000 is for raising the embankment of No. 5 deposit ground.

Additional work on the Euro . In Reading, Wimpey Conway Estate at Bradford is worth, struction (UK) has accepted a over £300,000, for a new factory £354,950 tender for the founda-and warehouse and office block tions, sub-structura and floor slab to a Digital Equipment Company office. Consulting engineers are Arup Associates.

At Selby, two projects totalling £626,294 have begun at Whitemoor comprising site roads, stockyard, explosive store, car park and services distributions for the National Conf. tribution for the National Coal Board. Consulting engineers are W. S. Atkins and Partners. Also at Whitemoor, Monk is to carry out civil engineering contract, a bridge over the Lostock will carry a new access road linking up with the Faring-ton link road to the south. This Thyssen (Great Britain).

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Offices in London

WORTH \$4.8M a contract has been awarded to Norwest Holst, southern region, by European Ferries for the demolition of existing premises and con-struction of a six-storey air-con-ditioned office building with basement and sub-basement at Crosswall, London, EC3.

Demolition work is now com pleted and work has just started on the construction Anchitect is Joseph and Partners: quantity surveyor Norveil and Partners; consulting structural engineer Brian Griffiths and Associates; and building

Associates.

Completion of the project is due on March 1, 1982.

Furniture warehouse

BUILDING WORK to about £2m has been secured by J. F. Finnegan for a large depot complex at Northampton for MFI Furni ture Group.

Site work is already under way and involves the laying of over 1m sq ft of concrete (more than 23 acres) of which 610,000 sq ft will be under cover with brick faced perimeter walls. Completion is required quickly, the contract period being compressed into 42 weeks—said to be a remarkably short time for such areas of concrete and build-

When completed the complex will provide the central warehouse for MFI, a leading retailer in the UK of self assembly furni-ture. Also included in the completed scheme will be MFT's largest UK showroom, covering works to electrical ducts; drain- 15,000 sq ft, together with offices, age and walkway ducts for a print studio, quality control and spare parts store.



Base Rate

BANK OF CREDIT AND COMMERCE INTERNATIONALS.A.

announces that from 17th November 1979 its base rate is changed

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Irrigation projects

PROJECTS IN which Sir M. about \$2.5m to Taylor Smith estate MacDonald and Partners are and Co. Both of these were involved include a comprehen-awarded by the Central Water sive feasibility study for irriga- Authority Mauritius.
tion-based development schemes The third contract, worth tion-based development schemes in north-west Bangladesh and £l.1m, bas gone also to Taylor the Northern Plains irrigation Smith. This was awarded by scheme in Mauritius.

The Mauritian scheme is designed to distribute addinorth-west of the island.

Three contracts have been awarded. One worth £625,000 Company and another worth about 320 km from Dacca.

and new buildings at the naval

base, Portsmouth, are to be

undertaken by Bovis Civil

Engineering under a £71m con-

tract awarded by the Property

converting four wharves into

a single mooring berth, 270

metres long. Steel tubular

plies, 500 and 600 mm in

diameter and up to 33 metres

long, will be driven into the seabed to support a 600 mm

deep, reinforced concrete slab

deck of 13,000 square metres.

Work on the jetty entails

Services Agency.

Irrigation Authority Mauritius In Bangladesh, MacDonald is to carry out a feasibility study tional water from the Nicoliere for irrigation-griented developreservoir for irrigation of an ment schemes for three areas

area of 1,800 hectares in the in the north-west. This is under an Asian Development Bank technical assistance programme.
The 2,100 square kilometres has gone to Mauritius Building to be covered by the study are

eventually provide a total of 360 homes on the aite. Homes are timber-framed and £ $7\frac{1}{2}$ m naval base work designed by the National Building Agency for the Society. The houses will bave tiled, pitched roofs and cladding of facing brick and concrete tiles. IMPROVEMENTS TO a jetty Group to extend production and new buildings at the naval facilities at the latter a thermo-

> factory in Station Road, Yate, for completion by 1981. Work includes construction of services are being provided by new access road, car parking, the National Building Agency new access road, car parking, landscaping, and the diversion and quantity surveyor is I. N. Maclaren and Associates.

formed

plastics packaging

£3m worth to B. B. Kirk

is over £3m.

A two storey office block, single storey workshop, stores Largest job is a new departand diesel storage tanks will ment store for the West York-shire Co-operative Society at be built on the shore end of the wbarf, supported on in-situ Skipton, valued at nearly £1.5m. Other building work includes

concrete piles of 1.200 mm diameter, sunk to a depth of a post-graduate medical education centre at Halifax General Bovis Construction has work Hospital for the Yorkshire worth about £1m awarded Regional by the Dickinson Robinson costing £241,000; new offices and

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TOTAL VALUE of contracts alterations to existing premises County Council's industrial recently awarded to B. B. Kirk for Vokes, Burnley, worth estate at Sonth Woodham (Constructions), member of the £200,000; and a further factory Ferrers, with a total investment TOTAL VALUE of contracts alterations to existing premises Charles Hill of Bristol Group, for E.L.E.C. at Clitheroe, for £130,000.

Civil engineering work in-

cludes the completion of water treatment works for Harlow Hill, Harrogate, worth £640,000, for the Yorkshire Water the company has begun site con-Authority, north central divi- struction work on the next sion; two small contracts for the phase (1a) on its own trading North West Water Anthority, estate at Thelwall/Lane, War-Health Authority Pennine division at Whitworth rington. Development has been

awards for phase 3 on the Essex value of £1.2m. Construction is due to start at once and comprises 5,220 square metres of mixed sized units. Completion

A major task for Gleeson (Sheffield) is the £2,865,772-

worth of work in Rotherham on

Site works, drainage and

aervices have been included

Borongh Council expects com-

The .same affiliate has

FIRST PHASE of a new housing development on the outskirts of Faversham, in Kent, is to be

built under a contract worth

nearly £2.4m awarded to John

Laing Construction's southern

unit, will be built on a 12 acre

site at Bysing Wood Road, north

east of the town centre, for the

Moat Housing Society which will

Work starts soon and is due

Architectural and engineering

region.

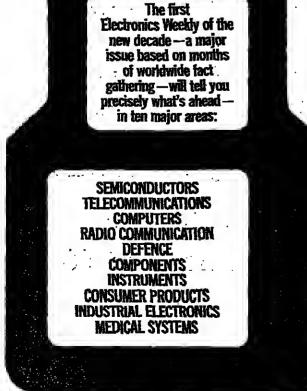
pletion in about 113 weeks.

and Westhoughton, Lancashire, the subject of a Forward Sale compounds for ICI in Yorkshire Foods Pension Trustees, total and Lancashire valued at value of the purchase being

COST DATA FILE for the building industry Cost Data File for the building industry, published and updated prostily. Measured outer in accordance

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dock and rail bay which will take the new British Rail Super-IN BRIEF

• Marchesi Holdings has won a £450,000 contract for the sale of five luxury bungalows to Murray Clayton for erection in Labya.

 Bison Concrete is supplying and erecting a precast concrete frame and floors for a pathology laboratory at North Middlesex Hospital, Edmonton, North London, to a value of £136,844, for North-East Themes regional health authority.

● A £100,000 contract for the construction of a new livestock building on the East of England showground at Peterborough bas bean awarded to English Bros., timber company of Wisbech, Cambs.

 Work has started on a 2,500 sq metre single-storey factory and a two-storey office block in the Grange Employment area of Warrington under a £618,000 contract awarded to Farrow Construction for BICC.

● One-day course, "Building on Shrinkable Clay" has been organised by the Brick Development Association for the eastern region of RIBA at Churchill College, Cambridge, on Tuesday, December 11. Details from EDA, Woodside House, Wink-field, Windsor (034 47 5651).

 A contract valued at around £1m to refurbish part of Suffolk House at Laurence Pountney Hill in the City of London bas been awarded to Holloway White Allom—a member of the John Laing Group—by Midland Bank. Work bas started with completion expected by July 1980.

Pipework/ worth £2m

will keep industrial traffic out of the older housing areas and improve traffic conditions and

There are also another 10

acres allocated for major open

space-some of which will serge

the district as a whole-includ

safety on Watkin Lane.

MECHANICAL CONSTRUC TION contract for the new benzole refinery for British Steel Corporation (Chemicals) at Port Clarence Works, Middlesbrough, Cleveland, calls for £2m worth of pipework which is to be supplied by Capper Service Company (Northern).

of the installation of some 50,000 metres of carbon and stainless steel service and process pipe-work and associated mechanical



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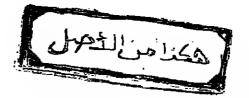
And what about

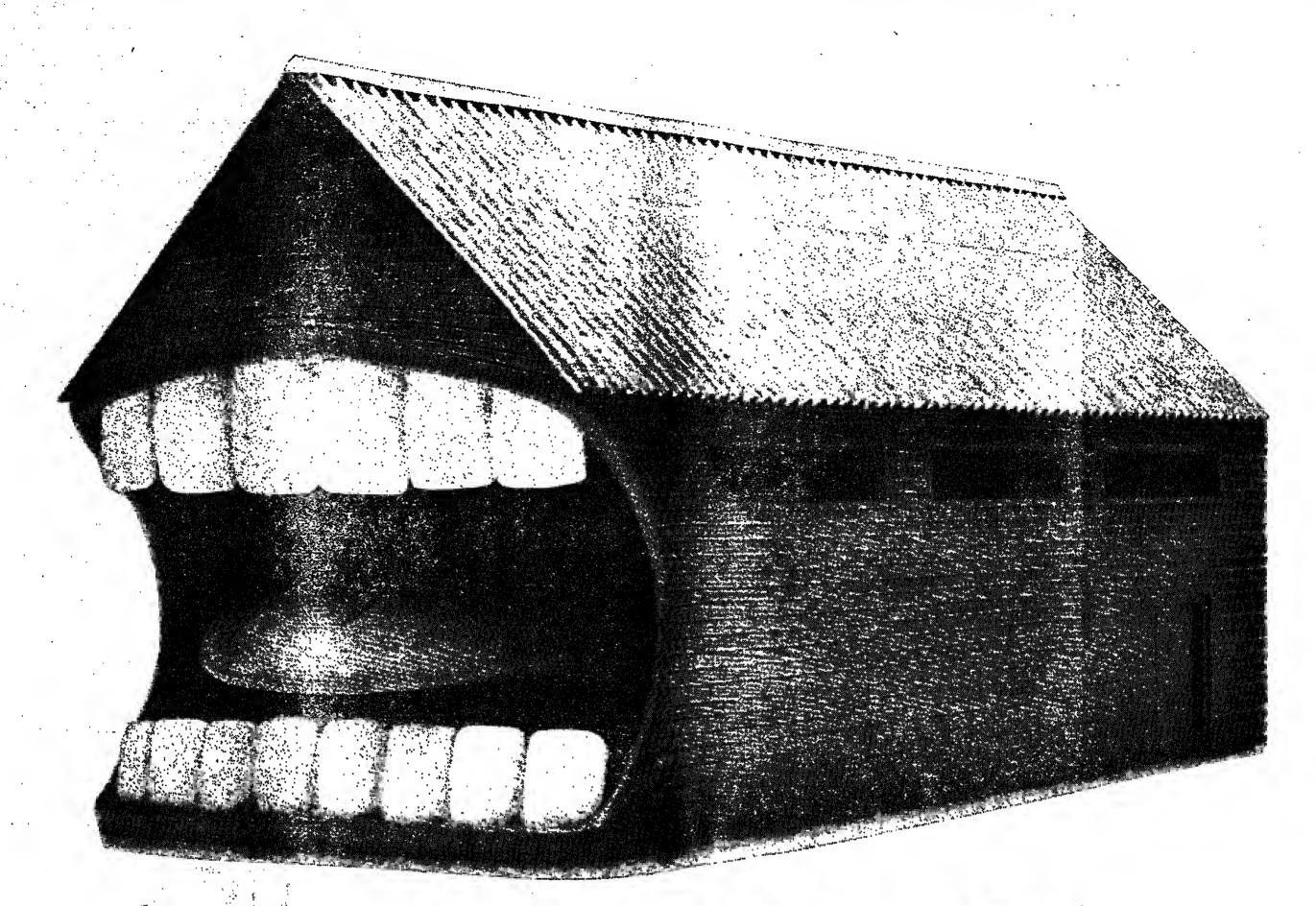
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COMPANY NOTICES

GERMAN GOVERNMENT INTERNATIONAL 51% LOAN 1930 (YOUNG LOAN) CONVERSION BONDS

As a result of the entry into force on 1st April 1978 of the second amendment to the Articles of Agreement of the International Monetary Fond, par values have ceased to exist. Consequently, than sterling amounts paid on 1st June 1978 and 1st June 1979 in respect of Conversion Bonds drawn for 1st June 1978 and 1st June 1979 in respect of Conversion Bonds drawn for redemption and of Cospons No. S1 to S3 were established by the Bundes-redemption and of Cospons No. S1 to S3 were established by the Bundes-redemption and of Cospons No. S1 to S3 were established by the Bundes-redemption of 1953 and Article 2 of Anheet 1 thereto. by treating the Beiglan Agreement of 1953 and Article 2 of Anheet 1 thereto. by treating the Beiglan Pract as the currency of Issue which, on the appropriate dates, and depreciated France as the currency of Issue which, on the appropriate dates, ruling for cable transfers to Brussels on the appropriate dates, ruling for cable transfers to Brussels on the appropriate dates, ruling for cable transfers to Brussels on the appropriate dates.

The Trustee has been informed by the Bundesschuldemersvaltung that it will make a similar calculation as regards the sterling amounts due on 1st December 1979 for Coupon No. 54 and that the amounts payolic will be communicated to a further adjustment in the amounts payolic will be under the payolic and them to be published in "The Times" and the "Financial Times": this should them to be published in "The Times" and the "Financial Times": this should them to be published in "The Times" and the "Financial Times": this should them to be published in "The Times" and the "Financial Times": this should them to be published in "The Times" and the "Financial Times": this should them to be published in "The Times" and the "Financial Times": this should them to be published in "The Times" and the "Financial Times": this should them to be published in "The Times" and the "Financial Times": this should them to be published in "The Times" and the "Financial Times": this sh

31 March 1954.

The Trustee has advised the Bank of England that the question of the application of the Exchange Guarantee in the case of the re-valuations of the October 1958 and subseduent currency Deutsche Mork of March 1961 and October 1958 and subseduent currency negligible of the England that it is unable to agree with the basis and method of recalculations of the amounts due, which is being applied by the Syndesschafelmwarkings as of the amounts due, which is being applied by the Syndesschafelmwarking from 19t June 1978. The rights of Bondbolders with regard to those matters from 19t June 1978. The rights of Bondbolders with regard to those matters from 19t June 1961 are presented for payment or not.

On or after 1st June 1961 are presented for payment or not.

GENERAL MOTORS CORPORATION

NOTICE IS HEREAY GIVEN that resulting from the Corporation's Oscileration of a OIVIDENO of \$1.50 (gross) per share of the Common Stock of the Corporation payable on 10th December, 1979, there will become due in respect of AERR DEPOSITARY RECEIPTS a gross distribution of

The Depositary will give further NOTICE of the STERLING EQUIVALENT of the net distribution per UNIT payable on and after 17th December, 1979. THE CORPORATION'S THIRD REPORT FOR 1979. Authorised Deposituries ore sepisting in the distribution of this report to holders of Bearer Depositary Receipts. Copies may also be obtained from Barcleys Sank

54 Lombard Street. ondon EC3P 3AH.

> CAVENHAM INTERNATIONAL B.V. 94% Loan 1977/1987 SUS 50,000,000

MUTUAL FUND FOR INVESTMENT IN GERMAN SECURITIES For the inaucial year ended 30th eptember 1979 a dividend of DM1.10 bt anyable from the 15th November 1979 spaints presentation of Coopen No. 24.

The tividend is made up as follows:

Olividend and Interest OM 0.57 bt Realised Capital Gains 0.45 c) Proceeds from Sale of Rights

Between 15th November 1979 and 31st January. 1980, shareholders have the option of reinvesting the proceeds of the divident into shares 31 the Fund at a piscount of 3% on the Issue price ruling at the time of receipt of instructions by the German Management company. Coupons may be presented at the offices of Kleinwort. Benson Limited, 20 Fenders, Copies of the Annual Report may also be obtained from the above indiress.

TRAVEL

DIAMOND CAPITAL LTD.

A special meeting of stareholders of Diamond Capital Ltd. will be held at the Registered Office on Wednesday, 12th December 1979, at 10 a.m., with the following agenda:

Election of two additional Dischart Capital procy to attend and vote instead of him. Holders of "A" shares to bearer who desire to attend or vote at the meeting shall deposit their certificates for shares with appropriate instructions, not later the appropriate instructions, not later the saperoporate instructions, not later the saperoporate instructions, not later the saperoporate instructions. It is a saperoporate in the saperoporate instructions, and the saperoporate instructions are saperoporated in the saperoporate in t

AUSTRIAN GOVERNMENT GUARANTEES CONVERSION LOAN 1984/58 CONVERSION LOAM 1934;359
NOTICE TO HOLDERS OF
4:7,5 STERLING BONDS
CURRENT INTEREST ON
"NON-INVALIDATED" BONOS
ORAWN 1954;55
24:4% OUTSTANDING
Coupod No. 96 due 1st December 1979

EXHIBITIONS

MOTOR CARS

WADHAM STRINGER

ROLLS-ROYCE



Official Distributors for Rolls-Royce and Bentley.

BOURNEMOUTH

1975 Rolls-Royce Corniche, Athenian Blue with Pale Blue Everflex roof, Beige hide interior trim. Ood pwner, 21,000 miles recorded £32,500

975 Jaguar 4.2 Auto. Fern Greeo with tinted glass, £3,995 PAS, P registration 1976 Jaguar 4.2 Anto. Lavender with Biscuit leather, Jaguar 4.2 Anno. Lavenue: www. 2. registration air-conditioning, chrome wheels, P. registration £5,695

1978 Daimler Sovereign 4.2. Juniper Green, S regi-

1979 Jaguar 5.3 Auto. BR Green, T registration (leaseable)

1978 Princess Special Six Auto. Black, sunroof, tinted glass, PAS, S registration £3,595 1975 Rover 2200 TC. Black cloth interior, P registra-

1976 Rover 2200 SC. Yellow, Black leather interior, radio, R registration £2,495

WADHAM STRINGER

NOTICE OF OWNDERD PATHONOMY
D.L. No. 1041

NOTICE IS HEREBY GIVEN that the Administrative Council of the Company has resolved on the recommendation of the Company has resolved on the recommendation of the Company that an interface council of the Company that an interface of cristal per council of the Sanger should be paid in respect of the fiscal year ending 31st March 1980.

After deduction of Brazilian withholding tax at the rate of 5.9 min ton Depositary's superates of U.S. 30.01 per Depositary's Share, the amount payable in respect of each Depositary Share (First Series) is U.S. 208.49. In respect of each Depositary Share (First Series) is U.S. 3195.79, in respect of each Depositary Share (First Series) is U.S. 3195.79, in respect of each Depositary Share (First Series) is U.S. 3195.77, in respect of each Depositary Share (First Series) is U.S. 3195.77, in respect of each Depositary Share (First Series) is U.S. 3195.77, in respect of each Depositary Share (First Series) of U.S. 3195.77, in the control o

"NOTICE OF AMENOMENT TO
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OEPOSIT AGREEMENT TO
NOTICE IS HEREBY GIVEN that In
der to reflect the provisions of Resoluon No. 519 of 14th March, 1979 of
inco Central do Brasil certailo amendents have been made to the prosit
preement dated 19th January 1976, as
ready amandind by the First Sologies
ental Desolt Agreemental Desolt Agreemental Desolt
Lift Agreement of the January 1978,
e Third Supplemental Desolt Agreement
12th January 1978 and the letter
to be on the correction of the letter
to be on the correction of the correc

Avenue des Arts 35. 1040 Brussels.

NOTICE OF PERMISSION TO REPATRIATE

NOTICE IS HERRBY CIVEN that holders of International Desositary Receipts lessed by Morgan Guaranty Trust Company of New York representing Desositary Shares (First Series) and Oesositary Shares (Second Series) of the above Company may request the repatriation of all or par of the capital represented by their Depositary Shares. Such requests for remotration should be made in writing, giving details in each case of the sortial number of the Depositary Share to be repatriated, where on repatrioted, and the name and the same of the sortial part of the Capital represented by their Depositary Share to be repatriated, where on repatrioted, and the name and the same of the sortial part of the Depositary Share to be repatriated, where on repatrioted and the name and the same and the same and the same of the same and the same and the same and the same and the delivered to gether with the relevant international Guaranty Trust Company of New York, Avenue des Arts 35, 1040 Brussels,

NOTICE IS HEREBY CIVEN THAT:

1. The Transfer Books and Register of Preference Stock will be closed on 5th December, 1979.

2. The Transfer Books of the 14% Convertible Unsecured Loan Stock will be closed on 5th Oecomber, 1979 for the preparation of the Interest Warrants payable on 15th January, 1980.

By Order of the Board, H. D. HOWE, Secretary.

Registrars: The General Agency & Trust Limited, Granby House, 95, Southwark Street, London, SE1 OJA

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MOTOR CARS

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We need your donation to enable us to continue our work for the CARE and WELFARE OF MULTIPLE SCLEROSIS sufferers and to continue our commitment to find the cause and cure of MULTIPLE SCLEROSIS through MEDICAL RESEARCH.



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INSURANCE

No quid pro quo for transport bill

BY OUR INSURANCE CORRESPONDENT

IN THE British motor insurance market, which now counts its total premium income in excess of £1hn, and eternal truth stands unchallenged that the more things change the more they stay the same. As ever, the insurers' prob-

lem is to try to keep pace both with inflating costs and the effects of social and legal change. To get ahead is utterly Insurers had plenty of warning that the Transport Bill.

giveo its first reading last Thursday, would contain clauses encourage car sharing schemes by altering the private car licensing laws. The Bill could well receive Royal Assent by Easter.

Transport Bill

Insurers recognise that there is a measure of technically unlawful car sharing at present, and that the Bill will in part only legalise current practice. but clearly car sharing could be

hoost next summer. Seemingly, sector—and there will be no spare cash in the kitty to meet

the uncertain extra cost. premium they think they will are littered with previous bills, require—to extract a little more from each motorist, or rather more only from those who will offer car aharing services, as is sometimes now done with the

expected to fall militates against selective rating, and the

giveo a further and substantial Back in the summer insurers nerhassett commercial public transport is doubtful quite what comfort they can derive from the fact that a private member's bill on seat belts is still making pro-Insurers face the problem of gress through the Commons. how to charge whatever extra The corridors at Westminster and the present Minister of

not favour compulsion. in operation.

The administrative expense of making due inquiry and puting future cost where it is expensed to fell militates.

The administrative expense of making due inquiry and puting future cost where it is expensed to fell militates.

The Minister based at current terms save insurers at current terms save insurers at current terms save insurers power to make regulations. So some £50m.£75m paid out in the Bill, even if it survives to comprehension to the victims of enjoy Royal Assent. belts but only give the Minister

The Minister has said that no time can be found in the present -Parliamentary session for any motorists will hear the burden, whether or not they will share their cars.

bill of utilities and things of the law ster, and the rest of us, should can be operative hefore the think not only about the enspring of 1981. Though the Blen-

were hoping for some offset have been gathering dust now from the average citizen's viewnext year by way of a reduction for over 3 years, and all that is point. The common reluctance, passenger injuries and claims in accident and injury incidence worth saying on the problem near refusal, to regard motormust rise—it is feared without stemming from seat belt and must have been said long since, ing convictions as the criminal any compensating fall in the drinking-driving legislation. It a consultative paper is promised convictions that they are, has commercial mubils temperate in doubtful quite what confidence worth the property of the widespread available. shortly on the Government's proposals, presumably to test the ability of loss of licence insurwarmth of the water on such ance for the motorist disqualisees as the introduction of fied from driving. random breath tests.

> of the salient Biennerhassett Transport has said that he does recommendations would reduce road traffic deaths and serious Moreover, this bill will not road traffic deaths and serious directly enforce the wearing of injuries by about a quarter and at current terms save insurers

More sharing

But if there is to be further near certain consequences of Parliamentary session for any But if there is to be in the him-the Bill is that all private bill on drinking and driving. So consultation, perhaps the Mini-the Bill is that all private bill on drinking and driving. So consultation, perhaps the Mini-

recommendations but the status of those laws

andom breath tests.

Can it really be right to Surely decisions, not consultation allow the offending motorist tions, are required. It is to mitigate the penalty the reckoned that implementation criminal law imposes by the for example, a chauffeur-driven car during the disqualification period?

This important legal-moral issue should be resolved, but I fear that once again it will be brushed under the carpet. Yet everyone must agree that it is contrary to public policy to offer cover to the "real" criminal as financial protection for his femily or his business, while he is incarcerated for causing grievous bodily harm, for theft, or whatever.

APPOINTMENTS

Beechwood Construction chairman change

Mr. J. C. R. Downing, a director for six years, has been appointed executive chairman of BEECH-WOOD CONSTRUCTION (HOLD-INGS). He succeeds Mr. M. C. Thomas, who has relinquished that position but remains an executive director. Mr. Thomas, executive chairman for the past three years, is a founder director of the company, which was formed 21 years ago.

From December 1. Mr. Stephen Morley has been elected chairman of the distribution divisional Board of LCP HOLDINGS GROUP. He succeeds Mr. L. A. Maybury, who will continue with his executive directors a with a that division until September 30, 1980, when he will retire from all directorships and be replaced in that capacity by Mr. Morley.

BEMROSE UK has appointed Mr. Tim Park as managing director of Bemrose Specialist Print and Bemrosa Information

Services, units of its priniting division. He succeeds Mr. David Tidmarsh, who has become joint managing director of Begnrose Advertising Products with Mr. Kco Clark, who is to retire during 1980.

Mr. Roger D. Turner, chairman of Cibhons Dudley, has been appointed a director of the STEETLEY COMPANY.

iog 1980.

appointed deputy chairman of and will succeed Mr. Michael J. Murray. He was previously mar-ALBERT MARTIN HOLDINGS Cooper, who becomes managing keting director. Mr. Richard and also joint managing director of the groop with the present chairman, Mr. C. R. Martin. Mr. of the groop with the present chairman, Mr. C. R. Martin. Mr. Kidd has heen with the company for 15 years and bas held the position of group finance director since 1972. The subsidiary companies have been sidiary companies have been the position of group finance director since 1972. The subsidiary companies have been for the next two years until the companies have director for the next two years until the companies have director for the next two years until the companies have director for the next two years until the companies have director for the next two years until the companies have been for the next two years until the companies have been t consolidated into three divisions and the holding company directors responsible for their operation envisions.

Martin Division; Mr. C. M. Spalding, chairman of the Martin Emprey Divisioo; and Mr. A. S.

Metsäliitto Group.

appointed marketing manager designate of PANOCEAN-ANCO Cooper, who becomes managing keting director. Mr. Richard director oext year.

Mr. Rodney Lowcock has been

Lowcock was previously with John Howard and Co. Mr. Ted And chairman of the Knitwear Gee has been made managing Division.

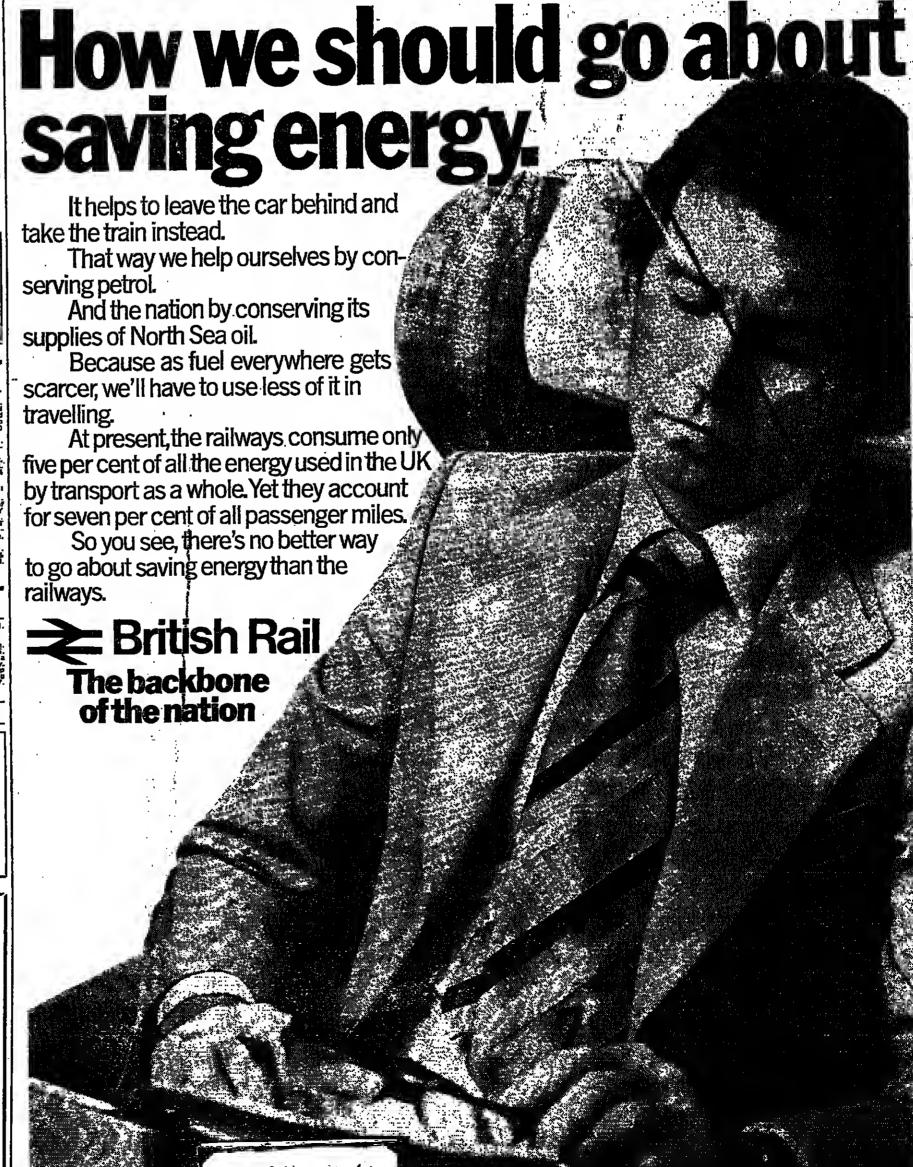
And Chairman of the Knitwear Gee has been made managing Division. Retail and Mr. Tony Thompson Mr. E. Bruce Kitchen has been appointed finance director of company secretary of that FINNFORESTS, a member of the company.

Mr. John Botton bas heen Mr. Charles B. Kemp has been appointed managing director pointed marketing manager of SELKIRK METALBESTOS EUROPE, a division of Wallace director marketing and Mr. Brian Cosh, divisional director manu-

president of the CROUP FOR THE CTIONAL INDUSappointed EXPORT CONSTRUCTIONAL operation appointed as divisional appointed financial director of TRIES in succession to Str appointed chairmen. Mr. T. R. Machin WALTER LAWRENCE AND Maurice Laing. Mr. C. S. Kigh Mr. R. E is oow chairman of the Albert SON and Mr. Brian Thornton (French Kier Holdings) has he Woodrow.



come chairman and Mr. D. M. H. Reoney (BICC), vice chairman, of the Export Group. Reappointed honorary treasurer is Mr. R. E. A. Aldred of Taylor



THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

ALMOST exactly four years ago, Joe Flavin cleared his ago, Joe Flavin cleared his executive vice-president's desk at Xerox and headed for midtown New York, to take on his new role as saviour of Singer.
Twn years later, the beadlines
proclaimed his victory: "The
stary of a tarraround," "A text-

book example of saving a firm from near diaaster," as two of America's most distinguished dailies put it. Flavin himself proclaimed 1977 the banner year," declared it the end of Singer's bloody restructuring period and set the revitalised company four targets for what Flavin called the "development period" of 1979 to 1983.

At the time, the targets seemed modest. They were for revenue growth of at least 10 per cent a year, operating income to rise to 10 per cent of annual sales, debt equity ratio to be reduced to 0.6 to 1 (at one time it was more than 2 to 1), and the achievement of an "A" credit rating for the company's funded debt.

History has a way of rewrit-ing such scripts. Today, Singer stands chastened and Flavin is back with his restructuring

In the past few days the U.S. credit rating agencies have again cut Singer's credit rating to its pre-Flaving level, making it costly, if not impossible, for Singer to raise long-term loans. The company has also just reported a \$179m loss for the first nine months of 1979 on sales which were stagnant in real terms at \$1.9bn. Not surprisiogly, any progress being made on the debt equity ratio bas also gone out of the window and Singer has been forced back to short-term lenders, the banks, for a new revolving credit package at a time when U.S. interest rates are running at record levels.

An early casualty of this traumatic reversal of fortune was Singer's sewing machine factory at Clydebank in Scotland, and its 3,000 workers. There will be many more casualties in the next two years as Flavin acts to cut jobs, in-crease productivity and lift the utilisation of manufacturing capacity from its present dismal average of 50 per cent in the Singer sewing machine factories of Italy, France, West Germany and North America. A proposal to halve the West in those three years on actual German workforce has already capital investment at a time been made to the company's

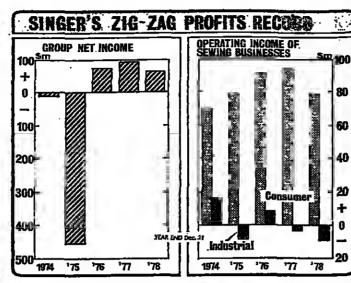
trade unions in that country. What went wrong? Flavin cannot claim that the past four have seen general economic pressures or that unpredictable changes occurred either in Singer's markets or its competitive environment. The obvious conclusion is that Singer's problems are the legacy wackened and so did the of more than ten years durbalance sheet particularly ing which the company has through Singer's inability to

ning with Japan more than 20 gain in any one of those years. within months of his errival to cent of its operating income. So far, no one has procentres in the U.S. alone from of whom (in the U.S. — the hite inside five years at setting years ago, it has gathered pace with the entry into the sewing a style of retailing, which even straightening out 22 acquisition will continue to do answer.

Can Singer stitch itself together again?

One of the oldest American-based multinationals is being restructured for the second time in four years. Ian Hargreaves reports





Joe Flavin (left) joined Singer four years ago from Xerox as chief executive. He began turning the company round but it has now slumped back into the red because of trouble in its most basic business: consumer sewing machines. Sales of domestic sewing machines in the developed world have halved since 1972, to a large extent for sociological reasons. Singer has been trying hard to attract customers with its multi-function electronic machines (right). Meanwhile sales of traditional machines are thriving; made in Talwan, these treadles are in demand all over the third world.

machine industry of Taiwan. Singer transferred some of its manufacturing to lower cost countries in the developing world, but completely failed to control costs and efficiency at its crucial European and American plants.

2-Diversification seemed ao obvious answer for a one-product company in the late 1960s, so Singer diversified. But it did so with the finesse of a game of Blindman's Buff. It also spent money it did not have on diversification, thus taking the level of company debt to over \$1bn-more than double sharebolders' funds, on the eve of Flavin's arrival.

husiness assets. It spent \$74.7m U.S. market since 1972. when its markets and technological superlority were under

vigorous attack.
4. As one of the first U.S. multigationals, Singer allowed its operations to spread glob-ally in a pattern which often lacked both logic and control, and created subsidiaries in 35 countries. Management control

some and inflexible in recent years. The company's loog retail chain of wboily-owned sewing centres bas not been out-standingly succeasful in selling sewing machines and they were a disaster wheo Singer tried to sell other products through them in the early

6. Singer failed to research basic markets, such as the use of sewing machines in the developed world. Two years ago even Flavio was talking of the "demographic and personal in-come factors in the U.S." which would increase sewing machine soles in the late 1970s and 3—Capital investment was neglected in the basic sewing business. Between 1976-78 of the Clydehank closures. Singer provided for over \$90m in depreciation for its sewing a 50 per cent drop in this

Catalogue of blunders

Lawrence Minion, the com-pany's vice-president for public affairs, says it is impossible to judge when the market will the company's marketing men still lack any clear idea of how they can reverse the trend. Historical content, of course.

is important in explaining this committed just about every basic business error in the book. Here are a few examples:—

1—Singer falled to respond to the growth of lower cost competition in the Far East; begin adjustments failing to make a liter of the sins of liter of catalogue of bunders. The sins of lile and marine electronic products. Together the non-sewing areas to pany with large provided in the far East; begin adjustments failing to make a lite of these work of Flavin's autocratic presentation were the pany with large provided in the far East; begin adjustments failing to make a liter of sa pleasingly stable to the complexities of the catalogue of lump of technology-rich government in explaining units of the catalogue of lump of technology-rich government catalogue of lump of technology-rich governments and marine electronic products. Together the non-sewing areas accounted for ball of Singer's salve was a pleasingly stable to catalogue of lump of technology-rich governments of lump of technology-rich governments and marine electronic products. Together the non-sewing areas accounted for ball of Singer's salve was presented by the samples of the catalogue of lump of technology-rich governments and marine electronic products. Together the non-sewing areas and marine

monopolies such as Britain's tions in fields as various as well in the future." says Flavin. Gas Board bas found cumber- business machines, air-conditioners, furniture, mail order and believe that now Flavin bas and aerospace electronics, again moved, bowever betatedly, to with a global spread. The printackling the sewing problem, he ciple of diversification for a will bave similar success. Some company like Singer was unanalysts are even calling it one challengeably correct, but the of the hortest tips for the New most expensive buys, the elec- Year because the company's tromechanical business shares are trading at around machines operation was caught in the electronics boom and found itself requiring a development budget and level of vision

way beyond Singer's meaos. Flavin's hig achievement has been to sort out these non-sewing businesses, a task for which his experience at Xerox, and before that at IBM, ideally He sold the worst cases sucb

as business machines and Italian wasbing machines, and then set about whittling away at the debt problem, as the balance the dept problem, as the marker sheet became stronger, by sub-stituting long-term debt for short-term loans with floating, and therefore difficult to managē, interest rates. The result is that Singer to-

day has two non-sewing divisions. The larger is its conbottom out, and he admits that sumer products sector, which includes furniture, power tools (Singer claims to be number two o Black and Decker), oir con-ditioning and meters. Then there is a pleasingly stable

Some Singer analysts agree their par value of \$10 each, giving the company an absurd market valuation of \$170m. The same factors technically make Singer a high risk candidate for takeover, except that a suitor would require ao exceptionally strong digestion to absorb what is still well over balf a billion dollars of debt.

Much to the irritation of and the seriousness of not Singer's marketing men, who acting at once, are eager to push the image of a brave new Singer beyond the sewing machine, the question still has to be asked wbether the bedrock business can be turned round at this stage. It has to be admitted that Flavin's predecessor had much more success than Flavin in selling sewing machines, reversing Singer's declining market share in the competitor is the Japanese-made machines retalled by Sears Roebuck, the retail glant. Kircher pulled Singer's sbare

back above 40 per cent against

an estimated 30 to 35 per cent

that Flavin was too tied up pany will franchise more sorting out the other side of dealers, sueb as department the company, but in the last two stores, to do the retailing job years this bas ceased to be a on its bebalf. valid response. Another auggestion is that Flavin was too bumble and too kind to interpose himself between the senior men wbo apparently knew the world's biggest sewing machine busioess from top to bottom-at any rate uotil certain key retirements took place. A third is that, like the other directors. Flavin looked at the facts the company had gathered about its market and operational per-formance, but simply failed to see bow sbarp the decline was

Had its chance

Wbatever the reasons for the delay, Flavin now has his second restructuring programme in full swing. This involves putting all the sewing machine production centres through rigorous U.S., where its only significant investigation; and instituting a new trial period. If they cannot match competitors' costs or operate profitably in their own markets they will be reduced in size or even, like Clydebank, which was deemed to have al-

The most obvious defence is to come. Meanwhile, the comdealers, sueb aa department

> More use will also be made of bought-in components from lower-cost suppliers and Singer will extend to sewing machines the principle It already uses extensively for other consumer products in the developing world-selling other manufacturers' goods under the Singer

Central costs are also being pruned by moving the corporate beadquarters from New York Connecticut, reducing central staff by a quarter.

Flavin says it will take two years to complete the restruct luring capacity will fall. It is turing of sewing operations and that it could cost another \$50m on top of the \$130m write-off the company has already taken in its third quarter accounts.

It is impossible to say wbether the plan will work. Now that Flavin bas turned his torch on the problem, those wbo know him are inspired to think that be will burn out the buckled parts of the operation.

But the difficulties remain formidable, Singer estimates that a third of the world's sewing machine production is an estimated 30 to 35 per cent which was deemed to have alnow.

It also has to be explained why Flavin, who still appears to retain the confidence of his directors his harkers and not still also has to be explained why flavin also plans to cut the generation of way of creating sewing machine expectations. At the age of a fashion conscious to the confidence of his bankers and not still also plans to cut the generation of way of creating sewing machine expectations. At the age of the confidence of his bankers and not still also plans to cut the generation of way of creating sewing machine expectations. At the age of the confidence of his bankers and not still also plans to cut the generation of way of creating sewing machine expectations. At the age of the confidence of his bankers and not still also have all the confidence of his south America and the Far East.

and don't much want to sew in

attracted in increasing numbers to Singers' fancy multi-function electronic machines which self for over \$1,000 each which

It is interesting to note, bow-ever, that in spite of the 50 per cent drop Singer says it has seen in the U.S. sewing machine seen in the U.S. sewing machine market since 1972 (it won't quote the actual figures), the value of sewing machines sold in the U.S., virtually all of which are Singer products, has doubled to \$305m. The growing value of products, therefore, has not prevented Singer'a clide into losses on its U.S. sewing operations, indicating the presence of fundamental cost-price and production management problems.

The impression that Singer has some hitherto intractable problem on its production side is supported by the company's performance in the industrial sewing machine business, where its market share bas slithered and where it has made losses for tbree of the last five years. This is in spite of a determined attack on the market with a new and sopbisticated product, the Centurion, which Singer has struggled to produce in suffici-ent quantities and at the right quality and price.

singer also places great faith in its ability to bold its strong position for sewing machines in third world markets, where even its Taiwanese treadle machines of the kind popular in pre-war Britain, are still selling fast. But if the developed world market really is declining at the pace Sioger auggests, it is bound to face increased competition in these smaller markets too; currently they account for just over a third of its estimated 2.5m

sewing macbioe sales each year. There must also he a big risk that a Singer struggling with its core business, and short of cash, could run into recession problems with its other con-sumer businesses in the course

When it comes to Europ Singer admits that it does no know where the low point either of its sales or manufate conscious of the dangers of spreading its reduced manufac-turing requirement too thinly. painfully aware of the exchange problems still heing aggravated by a weak dollar and open to the suggestion that perbaps it is no longer big and strong enough to sustain a European manufacturing oresence. At the same time, like other non-European companies, it is well aware of the political difficulties it could face in shipping in cheap Far East-produced hardware in competition with Italian or French machines.

As for Scotland, Singer leaves Flavin also plans to cut the generation of women reared on sceptics of its staying power. But it is now taking its second

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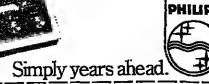
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LOMBARD

Publish and be damn'd

BY SAMUEL BRITTAN

ing about the next set of econ- diction. omic forecasts which the Government is due to produce under the Bray Amendment to be, before policy changes, this the Industry Act. This was to should be hased not on a forehave appeared on Tuesday and cast, but simply on the trend will now be postponed for a growth of output in the last few few days. It would not be too years—say 1 per cent. In addimuch to say that there is a tion it should be assumed, as it crisis of confidence between the normally is at present that the political sids of the Treasury and the economists who do the

crystal gazing. the absurdities of the doctrines of collective responsibility, which are taken further in almost any other in the West. In theory evaryone, from the expected to answer for and he committed to the forecasts, although the figures produced may reflect a view of the economy which is wholly alien to them. Officials, outside the forecasting team, are a)most in

the same position as Ministers. This is a perfect recipe for maximum had feeling all round. Ministers dislike putting their name to something with which they do not agree. Forecasters, who are heing leaned on to change their assumptions and take account of policy changes their models cannut assess, feel that they are being pushed into irregular conduct. The usual British way of resolving embarrsssments is fudge and suppression (as a very prominent headline example nutside the economic field reminds us). In this case it would be to publish figures with which neither Ministers nor the forecasters feel really happy and to keep secret as much as possible.

The extraordinary feature is how much the Government is in the hands of forecasts in which it claims not to believe. For instance the famous 174 per cent estimate of the rate of price increase up to this November, emerged because pensions have to be raised in advance according to an inflation forecast.

Then again the forecast of the Public Sector Borrowing Requirement is dependent on a view of the economy; and some of the politicians most keen on controlling the PSBR are the

† Indicates programme in

black and white

BBC 1

9.00 am For Schools, Cotleges. 11.25 You And Me. 11.40 For Schools, Colleges. 12.45 pm

News. 1.00 Pebble Mi)) At Ooe.

1.45 Fingerbobs. 2.01 For Schools.

Colleges. 3.15 Songs of Praise.

3.53 Regional News for England

THERE IS clearly trouble brew- PSBR policy target, not a pre-

Secondly, when it comes to estimating what the PSBR will main income tax thresholds and the specific duties will be indexed. This will reduce, al-Both sides are fellow victims though not eliminate, the sensitivity of the PSBR estimate to the inflation rate.

When it comes to monitoring in the British Government than performance a clear distinction in almost any other in the West. can be made between lapses which reflect a failure of Solicitor General to the Lords budgetary control on the one in Waiting, is supposed to be hand and those which reflect a the Treasury, Ministers are put, or unexpected inflation

Hooked

An item of Boute disagreement is about wages and inflation (mechanically linked in the Treasury model). Because of the importance of expectations for monetarist policies, Ministers are very sensitive to any possibly self-fulfilling predictions of rapid pay rises.

Dr. Alan Budd, of the London Business School, has suggested that instead of becoming hooked on one interpretation of how the economy works the Treasury should set as a clearing house for views by outside bodies. Ministers would then make their own choices and be responsible for the consequences. But until Treasury " takes place there is

good intermediate approach. Let the chief Treasury forecaster put out a set of figures under his own name "signed James Shepherd." Let the Ministers put out a statement of their own. Then no one need feel aggrieved and the resulting credit or blame would be fairly apportioned.

The great trouble with the secretive committee way in which Britain is run is that because nothing is any one person's particular responsibility. but everyone has a band in everything, no one is ever to blame and no one can ever receive any real credit. The same is true with the monetary mess where it is considered not ward answer in this too. First widely diffused. It is time to make the statement about the focus it a bit more

might have contracted a virus.

But a fortnight later he ran deplorably in the Mackeson Gold at Cheltenham-so badly. in fact, that it was feared he

creditors, mortgagees and the

It was not surprising, there-

fore, that in 1976 the Court of

Appeal sympathised with an

invention to give some protec-

tion for one class of unsecured

creditors, in that case unpaid

sellers of goods.
In Aluminium Industrie Vaas-

sen B.V. v. Romalpa Aluminium

the sellers of aluminium foil

is owing to" the sellers.

buyers from material supplied by the sellers, and further statad

that ownership of such articles

would he given to the sellers as "surety" of full payment of

The huyers were permitted to keep such articles as fiduciary

owners, hut ware allowed to sell

such articlas to third parties in the normal course of business.

The buyers in that case went

into liquidation, owing the sellers more than £122,000; the

receiver certified that £35,152

name with the huyers' hankers,

was the victory of Night Nurse

in the Buchanan Whisky Gold

last season, the dual Champion

Hurdler began the present

campalgn by finishing second to

Jack Of Trumps in the Hermi-

tage Chase at Newbury at the end of last month. He lost no caste by that defeat, for he was

patently backward in condition.

Cup Chase.

what the huyers owed them.

creditors.

However, the manner in John Francombe, Roller Coaster which he jumped and galloped will be partnered by Mr. O. on Saturday left nothing to be Sherwood, a highly competent

6.35 Crossroads. 7.00 Give Us A Cine. 7.30 Coronation Street

8.00 Only When I Langh.

Monday Night Première:

"Sher)ock Holmes in New York," starring Roger

12.20 am Close: Personal choice

All IBA Regions as London

except at the following times:-

BORDER

1.20 em Border Nows. 2.00 Metinee:
"Jaland in the Sun." 6.00 Lookareund
Monday. 6.15 The Sound of ... The
Senlere. 10.30 Late Film: "Count;
Yorga Vampire." 12.15 am Border
News Summery.

CHANNEL

1.20 pm Chennel Lunchtime News, Wher's In Where and weather. 3.00The Monday Motines: McCloud. 6.18
Cabbages and Kings. S.00 Chennel:
News. 6.10 The Lone Renger. 10.28
Chennel Late News. 10.32 Family.
11.30 am News and weather to French.

GRAMPIAN

with Ray Smith.

8.30 The Mighty Micro.

6.00 Thames News.

.5.45 News.

9.00 Minder.

10.00 News.

trained by Fred Winter, has run well in all three of his races this season. In the continued absence of

recent case of Borden (UK) Ltd. v Scottish Timber Products Ltd.;

traced. The buyers became insolvent,

Unsecured creditors given a raw deal their title implies, rank in any by the sellers, which the buyers goods are to be used in the liquidation after preferential had sold on to third parties.

The Court of Appeal rejected the claim. It held that, once used in the manufacturing of the chipboard, the resin ceased to exist and with it the sellers' title to it. Since the resin had lost its separate identity in the manufacturing process, the chipboard being a wholly new product, it could not be traced into the chipboard.

The contract had not streetlated that the sellers were to have any interest or charge on the chipboard, and accordingly the sellers acquired no interest of any kind in the chipboard.

What primarily distinguished

given: the power to sell the goods supplied by unpaid sellers, but only as agents for the sellers who retained the property pending payment. The express clause in the former decision had effectively prevented the passing of title to unpaid goods, even if their identity had been swallowed up

in a manufactured process. There is no logical reason why the unpaid sellers of goods as one class of unsecured creditors should be favoured as against other creditors, such as and services.

Apart from the case of the 3 WLR 672

UNSECURED CREDITORS, as sale of aluminium foil supplied their title implies, rank in any by the sellers, which the buyers goods are to be used in the board was charged with the decision was that the buyers specifically that his buyer may of the aluminium foil bad been deal with supplied goods as his manufacturing process before ourstanding sum.

The collection of the aluminium foil bad been deal with supplied goods as his constitution. ing the courts are unwilling to develop any doctrine of tracing generally to the sale of goods or services.

A fundamental feature of the doctrine of tracing is that the property to be traced can be identified at every stage of its journey through life, and that can be identified as property to which a fiduciary obligation still attaches in favour of the person who traces it. Thus, the unsecured creditor will continne to suffer a raw deal unless the suppliers of consumables and until Parliament intervenes. *[1976] 1 W.L.R. 676. †[1979],

THE WEEK IN THE COURTS

BY JUSTINIAN

The sellers claimed they were they are paid for, wishes to

The obvious purpose of the procure the required security.

used in a manufacturing process express stipulation about the made an express stipulation in ownership of material to be an attempt to acquire rights over the finished product. A clause in their general used in a manufacturing process was to secure the sellers, in the event of the huyers' inselling terms and conditions solvency, against the risk of ststed that "the ownership of non-payment after the sellers had actually parted with possesthe material to be delivered will only be transferred to the pur- sion nf, but not the legal title chaser when be bas met all that to the material delivered. wbether or not that material The clause also referred to retained its identity before payarticles manufactured by the ment was received.

holders of floating charges. They entitled to a charge on the reserve an effective security for

receive a raw deal, because money held in the receiver's the payment of the price, he

quite often the debtors' assets account, and to trace the promust resort to an elaborate are insufficient to more than pay ceeds of sub-sales of their stipulation, such as was a dividend to the secured property in that account. The employed in the 1976 case.

courts upheld their claim.

doubted power to sell the material to sub-purchasers, an ceeds of any such sub-sale to the sellers, as they would in the relationship of principal and agent or bailor and bailee. Accordingly, the sellers were hel to be entitled to trace the proceeds of the sub-sales and to recover them.

Night Nurse's pleasing victory

THERE WAS no doubt that desired, though whether he will rider who claims the 4 lb

what gave most pleasure to prove capable of staying the allowance. Badsworth Boy, visitors to Ascot on Saturday 34 miles of the Gold Cup course trained by A. Dickinson, at

For the best bet at Leicester

RACING

BY DARE WIGAN

in the Silver Fox Handicap

Chase (2.00). This gelding.

yet to be determined.

Following a satisfactory today, I suggest Roller Coaster (3.00). graduation to steeplechasing

st Cheltenham next March ls Harewood in Yorkshire, is pre-

Thorpe

(2.45),

A simple reservation of title to tha goods will not provide the security. That much is clear from the

There the sellers had supplied resin to the buyers for use by the latter in the manufacture of chipboard. Under the contract the property in the resin passed when all goods supplied to the buyers by the sellers To give effect to that obvious had been paid for in full, it purpose the courts implied a heing clearly contemplated that term, in addition to the unthe resin would be used in the manufacturing process before it had been paid for. The manuobligation on the part of the facturing process was such that, huyers to account for the pro- once mixed with certain other substances, the resin as such could no longer be physically

and B receiver and manager of the company was appointed. The sellers brought an action for the sum outstanding in respec was held in an account in his The lesson to be learned from of unpaid-for resin supplied by name with the huyers' hankers, that case was simple enough. them, contending that money representing the proceeds of If a seller of goods to a manuor property representing the

Prices fall at Beaune wine sale

BY EDMUND PENNING ROWSELL IN BEAUNE

tage the decrease of about 17 went for less, with Meursault per cent on last year was con-Bandot at FFr. 10,900 siderably less than expected by (RFT-13,300). the trade. For the hospices sold 712 casks, compared with only

361 a year ago.

Among the notable prices per cask, with last year's average price were Corton De Peste, FFr. 18,200 (FFr 25,500), Beaune Guigone de Salins,

ALTHOUGH prices fell at the FFr. 17,800 (FFr 20,500), Pom- sold at this exceedingly dilatory annual Hospices de Beaune mard Billardet FFr 17,800 auction UK and U.S. buyers wine anction yesterday, in view FFr 20,300). Whites generally were few, but Belgian purnif the exceptionally large vin

Apart from Patriarche of Bucharest.

Beaune, who once more carried to the first lot against his old transactions that Henri Maire of Arbois, this very few buyers bought more than a single lot; thus demonstrating the publicity rather than the commercial value of the wins

THEATRES

NATIONAL THEATRE. 'S CC. '928 2252.
GLYVER (open stage): Ton't & Tomor.
7.30 AMADEUS a new play by Peer
8.30 AMADEUS AND FAIR

PALLADIUM CC. 01-437 7373. YUL BRYNNER Ia RODGERS & HAMMER-STEIN'S THE KING AND I also starring VIRGINAS LEVENING NOTENE-01-437 2055. Evenings 7-30, MRS. Wed.

PRINCE EDWARD, CC. 01-437 5877
Evenings 8.00, Mais: Thurs, and Sat. al
3.00, EVITA by Tim Rice and Andrew
Lived Wether, Directed by Marola School

PRINCE OF WALES THEATRE, 620 8681.
As Evening with TOMMY STEELE and
his Company, Evgs. Mon. Thurs. 6.50.
Frl. and Sat. 6.09 and 8.30. 900K NOW.

QUEENS THEATRE S. CC. OT 734 1166, Group sales 01-379 6061 or Freshone 2361, Mon.-Frt. 200. Wed. rist. 3.00. Sal. S.00 and 2.15. JULIA MOLENZIE, MAUREEN LEPMAN In a control by Richard Harrie OUTSIDE EDGE.

RAYMONO REVUEEAR, CC. 734
A1 7.00, 9.00, 11.00 pm, Opens
PAUL RAYMOND presents
FESTIVAL OF EROTICA, 22nd
tional Year, Fully air-conditioned.

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ROYALTY THEATRE. 01-405 8004. IIcc.
18 to Jun. 12, MATS. IINLY. Back egain for Xmas. Ilavid Wood's family treat THE CONGEREREAD MAY SERVING BERNARD CRIBBINS. Easy parking. Resizurant with children's menu.

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T. MARTIN'S Credit Cards, 836 1443, Eves 8.00 Mat Tues. 2.45 Satt. S.00 2 8.00, AGATHA CHRISTIE'S THE MOUSETRAP. WORLD'S LONGEST-EVER RUN.

chasers were prominent. The first purchase for many years from Eastern Europe came from

So far there have been no transactions of significance, for this very large good but not exceptional 1979 vintage. The high prices here today are unlikely to encourage early business,

CINEMAS

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Reservations 836 3187. ENGLISH
NATIONAL OVERA. Tomor. 7.301
Jolena, Wed. & Sat. 7.001 Aris, Thomas, 7.307
The Magic Flore. 1024 beloony means avail, from 10 am on day of perd.

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Symington Handicap Hurdle COVENT GARDEN. CC. 5. 240 1086.
IGardencharge credit cards 836 6903).
THE ROYAL OPERA. Ton't & Thur.
7.30. La Bohene, Fri. 7.30. Nerma.
THE ROYAL BALLET. Tomor. & Woc.
7.30. Les Synbhides Lichesfles Noces,
Sat. 8.00. The Dream/Liebesheder Watzer.
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Satchville Hurdle

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1.15-Van Hagen 2.15—Master Ribot* 2.45—Go Arrowsmith 3.45-Rook Wood

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AMBASSADORS, CC. 01-838 1171, Mon-Taur, 2:00, Fri. 8:30 Sat. 5:30 8 8:30. No perfix, from 24:29 December inc OINSOALE LANDEN, GWEN WATFORD, OAVIO BURKE, ANGELA DOWN in BODIES by James Saunders. APOLLO THEATRE CC. 01-437 2663. Ev. 6.00, 5st. 5.00 and 8.00. Mats, Th. 1.00, 1AN LAVENDER, TERENCE EDMOND, JULIA FOSTER is HAPPY BIRTHDAY.

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COMEDY THEATRE CC. 01-930 2587. Mon.-Sat. 9.00. Mats. Fri. and Sat. 8.30. THE ROCKY HDRROR SHOW.

ULSTER 1.20 pm Lunchtime. 3.00 Mondey Macines: "And No One Cauld Seva Her," starring Les Remick end Milo O'Shea. 4.13 Ulater News Headlines. 5.20 Crossroods. 8.00 Good Evaeing Ulster, 10.30 Advent 80. 17.00 Monday Movie: "The Boughters of Joshue Cabe Reium." 12.20 am Bedlims.

WESTWARD YVESTYVAKU

12.27 pm Gus Honeybun's Birthdaya.
1.20 Weatward Nawa Heedlines. 3.00
The Mondoy Melines: McCloud. 5.16
Cabbages and Kings. 6.00 Westward
Diary sed Sports Ossk. 10.32 Westward
Lote News. 10.35 The Family. 11.30
Foith For Uie. 11.35 West Country
Weether and Shipping Forecast.

YORKSHIRE 1.20 pm Calender News. 12.30 Monday Matines: "Jigaaw." starring Jeck Werner and Ronald Lewis. 8.00 Caleader (Emley Moor ond Belmont editions). 10.30 Pm-Celebrity Snooker.

Weak. 6.25 Shipping forecast. S.30 Today, including 8.45 Prayer for the 0ey, 7.00, 8.00 Today's News, 7.30, 5.30 News Headlines, 7.45 Thought for the 0ay. 8.35 The Week on 4. B.45 Miles Kington with the BBC Sound Archives. 9.00 News, 9.05 Start the Week with Richard Seker. 10.00 News. 10.05 Mosey Box. 10.30 Oaily Service. 10.45 Prester John. 11.00 News. 11.05 Totay Canyon. 12 Years On.

ight. 11.30 Today in Parliament

OLD VIC. 928 7818, Old Vic. Company reperfore season, 18th Century double bill THE PADLOCK/MISS IN HER TEENS. Tonight 7.30 Thes. 7.30, Wed. 2.30 & 7.30. WHAT THE BUTLER SAW by Joe Ortos. Thars. 7.30, Frl. 7.30, Std. 2.30 & 7.30. June McCulloch's THE TRIAL OF QUEEN CAROLINE, Sunday Nov. 25. 7.30, Double bill standby seats on the day £2.75, stodents £1.75. For further information on the season ring 251 1621. ODEON LEICESTER SQUARE (930 6111).
YANKS (AA) Sep. Progs. Wis., doors open 1,00. 4.15, 7.30. Al Seets book-able to advance at Sox Office or by post, PRINCE CHARLES, Leic. Sq. 437 2181. World Premiere Presentation SCUM CO. Sep. peris. daily (Incl. Sun.) 2.45, 5.55 8.55 (Laie Show Frt. and Sat. 11.15.) Seats bookable. Liceused bar. GPEN SPACE 357 8969, Tree-Son. 8.00, Desholm Elliott Diane Cliento in Stringberg's THE FATHER directed by C. Marowitz.

PALACE, CC. 01-437 S834 Mon., Thurs. 8.00, Fri., Sar. 6.00, 8.40, JESUS CHRIST SUPERSTAR by Tim Rice and Andrew Lloyd-Vrobber. Group sales 379 5061 or Freephone 2361,

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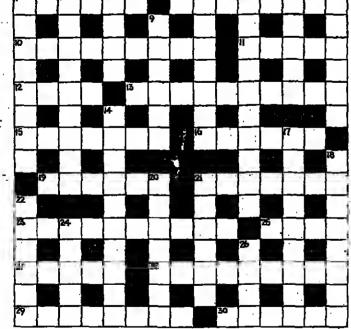
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ACROSS

the cunning without noise

4 Anyhow not quite tha answer to our divisinn (8) 10 Flower suggests emergence

12 Ouarrels in the ranks (4) 13 "The fault --- is not in our stars" (J.C.) (4,6)

15 Crown commander gets his voice hack (7) , 16 Genuine surprise gets home

-. 19 Please turn to the unconsc)ous (6)

21 Prig takes In the Spanish voluntary (T) 23 Laws including strange tenets give up-to-date information (6,4)

25 Resolution to be observed in instituting rituals (4) 27 Affirmation of faith by Russian in company (5)

28 This Duke ied his regiment 26 Salmon that survived the from behind (5,4) 29 Serves as one who is con-

- 30 The chap from the City is

scientous (4,4)

DOWN

1 It is difficult running the people after dismissal (44) 2 Solutions should he just terms with pleasing impact

3 Mrs Sprat found it inedible

5 Discover one in Paris with change of heart (7) S Charlotte, Emily, and Ann

7 The woman goes to court for decree (5) 8 A moist form of religious

14 Implied, and expressed after message received (10) 17 Old-fashinned person gets to the start (6.3)

required (4.41 of a gallon into it (4-3) 27 Hand to hand fruit (6) 22 A record rise for the Yard

King (4)

London Film Festival. 11.20 Roadsbow Disco. 11.45 Weather/Regiona) News

All Regions as BBC-1 except at

9.00 News.

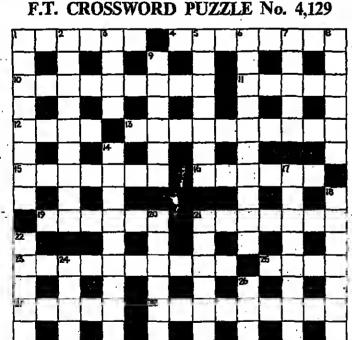
5.40 News. 5.55 Nationwide (London and Sonth-East only)

6.20 Nationwide, 6.55 Angels. 7.20 The Rockford Files. 8.10 Panorama.

9.25 Pearl. 10.50 Film 79 including the

Peter. 5.35 Ivor the Eogine.

(except London). 3.55 Play Scotland — 11.00-11.20 For School (as BBC-2 11.00 and 4.20 Schools. 12.40-12.45 pm The Scotland of the Planate 5.00 John Rettle of Battle of the Planets. 5.00 John 5.55-6.20 Reporting Scotland.



1 Frequently found among

of Far Eastern country (5.4) 11 Time tn muse (5)

> system (6) 9 Guilty and clearly broke (8)

> > 18 Put forward when effort is 20 But you can't put a quarter

causes calm (6) 24 You find me after the subject (5)

The solution of last Saturday's prize puzzle will be published with names of winners next

Craven's Newsround. 5.05 Blue 11.45 News and Weather for

Wales — 10.38-10.58 am 1 Ysgolion. 1.45-2.00 pm Pili Pa)a. 2.18-2.38 For Schools. 5.55-6.20 Wales Today. 6.55 Heddiw. 7.13 Angels. 7.40-8.10 Are You Being Served? 11.45 News and Weather for Wales.
Nurthern Ireland—3.53-3.55 pm

Northern Ireland News. 5.55-6.20 Scene Around Six. 11.45 News Headlines. 11.49 Festival Note-book from Belfast. 12.09 am News Weather for Northern

Ireland. England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Mancbester, Newcastle); Midlands Today (Birmingbam); Points West (Bristol); South Today (Southampton); Spotlight South-West (Plymouth).

BBC 2 10.05 am The Role of the Nurse. 10.30 Working for Safety. 11.00 Play School.

2.95 pm Roadshow Info-2.15 Let's Go. 2.30 Multi-Racial Britain. 3.00 Making Toys. 3.30 Design By Five. 4.00 Use Your Head.

75.40 Laurel and Hardy in " Anv Old Port" 6.00 Animation at Cambridge. 6.15 Grange Hill. 6.40 A Diary of Britaio. 7.20 Mid-evening News Includ-

ing sub-titles. 7.30 The Magic of Dance. 8.30 Porridge. Butterflies. 9.30 Horizon. Barbara Dicksoo and Her

Band play Rhythm on 2. 10.50 The Light of Experience. 11.20 Closedown reading.

LONDON 9.30 am Schools Programmes. 12.00 Jamie and the Magic Torch. 12.10 pm Once Upoo a Time.

12.30 Emmerdale Farm. 1.00

News plus FT Index. 1.20

Thames News. 1.30 National

Gallery. 2.00 Heart 10 Heart.

2.30 Monday Matinee: "The Lost

World " 4.15 Clemerhoard 4.45 World," 4.15 Clapperhoard, 4.45 Why Can't | Go Nome? 5.15

8.20 am First Thing. 1.20 pm Grampian News Headines. 12.30 Mondey Mattnee: "Huagry Hill," starring Margarst Lockwood, Oennis Price and Cecil Parker. 6.00 Grampian Todey, 6.05 Top Club. 10.30 Reflec-tions. 10.35 The Mondey Movie: "Ledy of the House," starring Oyan Cancom. 12.20 am Grampian Late Night Head-lines. GRANADA 1.20 pm Graneda Reports. 2.30
Money - Go Round. 3.00 Monday
Matines: Seven Sinnese. starring
Constance Cumminga, 5.10 This is Your
Right. 5.15 Crossroads. 6.00 Granada
Reports. 8.30 Moppy 0.37s. 10.30

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Radio Wavelengths

4 200kHz/1500m

5.00 sm As Redio 2. 6.00 Cave Lea Travis. B.00 Simon Beres. 11,31 Paul Burnett. 2.00 pm Andy Peebles. 4.31 Kid Jensen, on an EEC Jaunt, from Peris. 7.0 Stayin' Alive. B.00 Mike Read. S.50 Newsbeat. 10.00 John Peel (S).. 12.0-5.00 am As Redio 2.

RADIO 2 KADIO 2
5.00 am News Summary. 5.03 Tony Sreedoe (S). 7.32 Tarry Wogsn (S). 10.03 Jimmy Young (S). 12.16 pm Weggonere' Wolk. 12.30 Derek Hobsan's Open House (S). 2.15 Ozvid Hamilton (S). 4.15 Much More Music (B). 5.00 News. 5.05 Weggoears' Walk. 5.20 John Ounn (S). S.45 Sports Desk. 7.02 Music from the Movies (S). 7.30 Alen Oell with The Oance Band Oeys and at 8.02 The Big Band Sound (S). 9.02 Humphrey Lyttelton with the Sest of Jezz (S). 2.55 Sports Desk. 10.02 Town and Country Quiz., 10.30 Star Sound, 11.02 Briss

Matthew with Round Midnight, Including 12.00 News and 12.05 em Sports Oesk. 2.02-5.00 em You and the Night and the Music with Patrick Last (S). RADIO 3

in Britain (S). 11.55-12.00 News.

Landon Broadcasting: 1151kHz, 261m & 97.3vb/

RADIO 3
6.55 am Weether. 7.00 Naws. 7.05
Overture Concert. part 1 (S). 3.00
Naws. 8.05 Concert. part 2 9.00 News.
9.05 This Week's Composer: Richard
Strauss (S). B.55 Singer's Choice.
70.25 Bedge and Britten violin sed
pisno recital (S). 11.10 Middey Pram
concert. part 1 (S). 12.00 Interval
Reading. 12.05 pm Concert, part 2
1.00 Naws. 1.05 BBC Lunshtime Concert
(S). 2.00 Music for Organ (S). 2.40
Metinee Musicale (S). 3.40 New
Records (S). 5.25 Homsward Bound
(S). 5.45-5.00 News. 6.15 Az Home
(S). 7.00 Testimony: reading from
Shostakovich's memoirs. 7.30 Moeteverdi's Vespers of 1610 (S). 9.15 The
Burgery Opholas (S). 10.20 BCC Shustakovich i memoris 7.30 Moete-verdi's Vespers of 1610 (S), 9.15 The Putney Oebstas (S), 10.30 8BC Symphony Orchestre (S), 17.25 Jazz

Reports Politics. 11,00 Mystery Movie: Quincy.

1.20 pm Report West Heedlines. 2.30 The Monday Matines: "The Promise." S.15 Oick Tracy. 5.20 Crossroads. 6.00 S.15 Oick Tracy, 5.20 Crossroads, 6.00 Report West, 8.25 Report Wales, 10.35 The Monday Film: "Fear No Evil." HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 pm Penswdau Newyddion Y Dydd. 2.00-2.30 Hamdben, 6.00-6.25 Y Oydd. B.30-9.00 Yr Wythnos. 10.35-12.20 am The Monday Film: "Crash." Law HTV General Servica except: 1.25-1.30 pm Report West Headlines, 6.30-7.00 Report West.

SCOTTISH 1.25 pm News end Road aad Weathor. 2.30 Cabbages aed Kings. 3.00 Monday Merinee: "The Missing ars Deadly." 5.18 Cartoon. 5.20 Crosareds. 8.00 Scotland Todey. 6.30 Crimedesk. 6.45 Sounds of 0iens Kirkwood. 10.30 Lets Call. 10.40 Open to Question. 11.10 Tropic. 11.36 Pro-Celebrity Snooker.

ANGLIA
1.25 pm Anglia News. 2.30 Monday
Film Metines. 5.15 Cabbages eed
Kinge. 5.00 About Anglia. 10.30 Arise
Connell Interviews. 11.00 SWAT,
12.00 Reflections. ATV
1.20 pm ATV Nowsdesk, 2.30
Rendezvous with Romence: "Say Helio
to Yesterdey," attring Jean Simmons
and Leonard Whiting, 8.00 ATV Today,
10.30 Left, Right and Centre, 11.00
Bamsy Millor, 11.30 Fects for Lile,
12.00 Something Offerent. SOUTHERN 1.20 pm Southern News. 2.30 Mondey Matines: "Orive Herd, Orive Fast," storning Joan Colline. 5.15 Ock Tracy Cartoon. 5.20 Crossroads. 2.00 Ilay ay Oay including Southport. 10.30 Oay including Southport 10.30 Southern News Extra. 10.35 Affoat. 11.25 Police Surgeon. 11.55 Ferm

TYNE TEES

9.20 am The Good Word loftowed by
North East News Headlines. 1.20 pm
North East News and Lookeround. 2.30 in
Modely Movie: "The Blue Peter."
8.00 Northern Life. 10.30 North East
News Headlines. 10.36 Northern Report.
11.05 Monday Movie. 12.30 am Epilogue.

10.05 Mosey Box. 10.30 Oaily Service.
10.45 Prester John. 11.00 News. 11.05
Torrey Cenyon—12 Years 0e. Oil
pollution in our seas. 11.80 Ler's Ger
Rid Of. . . . 12.00 News. 12.02 pm
You and Youre. 12.27 Top of the
Form. 12.55 Weather; programme etwm.
1.00 The World at One, 1.40 The
Archers. 1.55 Shipping forecast. 2.00
News. 2.02 Women's Hour, 3.00 News.
3.02 Listen Width Mother. 3.15 Afternoon Theetre. 4.45 Short Story. 5.00
PM News stagezine, 5.57 Shipping forecast. 5.55 Weather; programme etws.
8.00 News. 7.05 The Archers. 7.20
Science Now. 7.65 An Alternative to
Suicide (S). 8.15 Kelsidoscope. 9.59
Weather. 10.00 The World Tonight.
10.30 Comedy First (S). 11.00 A Book
at Bedtime, 11.15 The Finsncist World
Tonight. 11.30 Todey, in Psrliamani.

instakovich's memoirs. 7.30 Moeteerdi's Vespers of 1610 (5), 9.15 The
tuney Oebelae (S). 10.30 88C
lymphony Orchestra (S). 11.25 Jazz
l Britain (S). 11.55-12.00 News.

ADIO 4

6.00 am News Briefing. 6.10 Farming

GREENWICH THEATRE. CC. 858 7755.
Everlings 8.00. Mst. Sys. 2.20,
RISEMARY LEACH. "A beautiful performance." FT. "Outstanding." Obs.
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MAY FAIR THEATRE. 01-529 3036. Ets. 8.00. Wed. 3.00. Sat. 8.00, 8.45. OLD HERBACEOUS. MAY FAIR. S. 01-493 2031. Dec. Jan. 8, Daby 10.30 sm 2.00-4.00 SOCIY'S XMAS SHOW,

SAVOY THEATRE 01-836 8688 Credit cards 01-734 4772. JUNE WHITFIELD SYLVIA 8YMS and ANDREW SACHS NOT NOW DARLING, MOR. Thurs, 5.00, Fri. and Sat. 5.45 and 8.45, Group bookings 01-437 3858. Bookings 01-437 3856. SHAFTESBURY THEATRE, 01-836 8596, Prevs. from Thur. 2.00, Sats. 5.00 & 8.00, Opens Now. 27 at 7:00, HELEN GELZER, CHARLES DANCE. SERNARD SPEAR, IRMA LA DOUCE, Directed and Chorsographed by SILLY WILSON, Postal and belephone bookings now being accepted. CRITERION, 930 3218 CC bkps 379 8565 Group Sales 379 8061, Evgs 8, Sat, 5.30 8.30 Thur, mat, 3.00, NEIL SIMON'S LAST OF THE RED-HOT LOVERS, STRAND, 01-836 2660, Evenings 8.00, Mat. Thurs 3.00 Sat. 5.30 and 8.30, LONGEST RUNKING COMEDY IN THE WORLD. NO SEX PLEASE WITES BRITISH, Directed by Allan Davis. GCOD SEATS AVAILABLE \$2.50 to \$5.50, Credk Cards 01-836 4143. Group Sales 379 6061 or Freepbone 2381. DRURY LANE CC. S. 01-638 8108 Ever. 8. Mais. Wed. S. Sat. 5-45. 8.45. THE FAMILY SHOW "HELLO DOLLY." Seats 62-68. GROUP SOOKINGS 01-734 2293. TALK OF THE TOWN. CC. 01:734 S0S1. AIR CONDITIONING CREDIT CARDS. CELEBRATING 21 YEARS from 8.00 Dinlog and Dancing. 3.05 SUPER REVUE BUBBLY. At 11.00 PETERS AND LEE FORTUNE THEATRE. 01-836 2238
Evg. 8.00. Thw. 3.00. Sat. 5.30 & 8.30.
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ANNETTE CROSSIE, GERALD FLOOD
STEVEN GRIVES MIRIAM KARLIN
END KENNETH WILLIAMS IN THE
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Saturday 5.00 and 8.30. ANTON
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LANGTON. ANDREW C. WADSWORTH,
DAVID TRALEY IN THE HIT MUBICAL
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WYNDHAM'S. From B am (Incl. Suns.). 836 3028. CC. 379 6585. Byss. 8: Msts. Wed. 3.00, Sat. 18:30 and 8.30. Alec McCowan, Penelopa Wilton in Tishoo. YOUNG VIC 928 6363, Today 10.00 & 2.00. YECS presents 1917, Too' 7.30 THE MERCHANT OF VENICE. RING'S HEAD, 228 1916, Dimer 7. Show 8. MASHYTLLE NEW YORK, Verse by Ogden Nash, Devised by Robert Coshuman. CINEMAS ABC 1 & 2. SHAFTESBURY AVE. 538.
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1. THE FRISCO KID (A). 2.00. 5.00.
B.00 (lest day). 2. PROPHETY (O). W.
& Son. 2.00, 5.00. E.10 (lest 3 stand. LYRIC MARMERSMITH. 01-741 2311.
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CLASSIC 1, 2, 3, 4, 5, Oxford St. 626 031D (opp. Totresham Court Rd. Tubel. 1. ZULU DAWN (A) In Dolby Spread, Pross. 1,00, 3,25, 5,558, 8,25, 2, Weed, Allen's MANNATTAN (AA), Pross. 12,50, 2,50, 4,50, 8,50, 1, MAD MAX CO. Pross. 2,15, 4,20, 6,30, 8,35, 4, Bert Reysolds SMOREY AND 7255 8,18, 8, J. R. R. Tolkein's THE LORD OF THE RINGS (A), Sep. perts, 2,00, 5,00, 8,00. CLASSIC, Laicenter Square. 930 0215.
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7.08

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Lyric Hammersmith Studio

Landmarks

by MICHAEL COVENEY

Nick Darke's everyday story labelled an example to them of country folk is set in the all. Why bad all this happened? Cheshire of 1935. Two brothers, Because he saw a boggart, that lads of the soil, are debating the advantages of new farm technology while one of them is building a set of stocks. The stocks are to be a sideshow in the King's Silver Jubilee celebrations. But they assume a dramatic function when a Nature-loving hook nosed clergyman, with talk of getting closer to God by watching larks and stoats, is suspected of being a "boggart," or ghost, and unceremoniously dumped in the constrictive contraption. Is be a hoggart or not? The play, and especially the production, makes nothing of this ambiguity (compare and contrast with Captain Swing at the Ware-

The priest is relieved from his trap by a strange lady who wanders through the landscape with stories of fantasised holidays in China and up the Nile. After the interval, when this with Nature by sitting on a horse, I thought that moment had somitted. It had for me, but wanders through the landscape the brothers and the daughter bad arrived. It had for me, but of one of them, the Lazarus-like not necessarily for the play. Incident becomes a salient The tractor, incidentally, reference point for agricultural mains off stage and stuck in the incompetence, decline and mud. The director of a somedecay. Superstition is what has caused the tractor to stick in the mud, and a man of the Egan, who could have done a brothers' acquaintance, who set lot more to ensure depth and

The play is packed with rural expression, to such an extent that the dialogue sounds like an unwitting essay in the risibility of tape-recorded yokeldom. Why doea that cow have spongy legs, for instance? Because "thar's been esting solddie." Sniddle is coarse grass, according to a rather brief but essential glossary in the programme. The sensible farm-band, played by Barry Jackson, is against tractors and ghosts; his less sensible brother, played with bumbling com-petenca by Mathew Guinness, Is

I did not believe in any of it for one minnte, fully expecting some cruel satirical purpose to emerge even at the last. When Mr. Guinness asked if be what whimsical and self-conscious evening is Peter Egan, who could have done a about killing hedgehogs because affection in the plsying. Had they sucked cows' milk and he done so, the text might have eventually banged himself, is had a boggart of a chance.

Wigmore Hall

Luigi Alva

by MAX LOPPERT

distplsy of vocal elegance, pensive long line in Pizzetti's artistry, and control of a "I pastori," a mood of delicate, superior order, proved nonetheless a good deal less scintillated Ferrari's Quattro rispetti, and, ing than the one Mr. Alva gave at the Elizabeth Hall five years ago. The cause of the moderated impact was obviously not the change of venne, and demonstrably not the ravages of time—the voice is remarkably wellpreserved, a tenore di grazia still flexible, forward, and appealing, if never quite honeyed of tone (a few low clouds of unsteadiness cleared

11.53

early on). But this time Mr. Alva appeared to have judged the halance of his programme less skilfully. Arias hy Vivaldi, Alessandro Scarlatti, and Handel, followed by Mozart's "Misero! o sogno" (K431—this morsel of essential information, along with many others, was unavailable on a grubby, illand misprinted sheet of words grotesquely overpriced at 250) grotesquely overpriced at 25p) made for a rather solemn first balf, at least as bere traversed. Though the singer's line never trespassed beyond the confines of good taste, our knowledge of what constitutes "classical" singing now insists on a more lively approach: the absence of any period graces or ornaments. in conjunction with the ponderous pace at which most of the numbers moved, forced the performances into attitudes communicative. both old-fashioned and respectful in the wrong way. It was the notable achievement of the pianist, Craig Sheppard, to indicate orchestral colouring with unpropitious material;

Mozart concert aria. Mr. Alva's irresistible comic bis book. Modern Art, 19th and gift was given insufficient exer- 20th Centuries. cise—it was only fully in the The judges, headed by Sir though Amintor for some Mr. Beverley Smith, 38, has second of the two PizzettiJohn Pope-Hennessy, and the d'Annunzio songs, "La pesca trustees, represented by Lord of his nightgown after his disHead of Radio Programming. dell'annello," which called up Anan, vice-chancellor of London appointing wedding-night. Even a dialogue of voices and faces University, presented the prize played with the quick wit of a to Mr. Shapiro at a ceremony at stars that topped the set at the born story-teller. But here at the Metropolitan Museum of Art, beginning are gone after the station, be will take up his post least there were other things to New York.

both singer and accompanist

The recital on Friday, a be grateful for-a beautifully in both groups, a just sppreciation of two composers whose body of vocal music is at present sorely undervalued. Measured by Los Angeles

standards, the final selections of Nin and Turina songs passed pleasantly rather than vivar ciously - the melismatic flourishes of the latter's "Cantares" were less than brilliant. and in this territory Mr. Sheppard was apt to suggest unpractised, stuby fingers marking unsteady rhythms. Amends greatly dignified in the process; and, most unexpected and successful of all, Tamino's Bildnisorie-freed from the constraints of conductor and orchestra, the singer was able to shape each phrase with a night), and is eager to take part different inflection, a new and spontaneous emphasis. In the opera house it might seem mannered; at the close of a recital the effect was both liberating and uncommonly

Mitchell Prize awarded

The Anglo-American Mitchell brought a welcome amount of Prize for the History of Art, a tonal variety to play on the sum of \$10,000, has been awarded to Meyer Shapiro for



Angela Chadfield and Colin Haigh

Citizens, Glasgow

The Maid's Tragedy

by B. A. YOUNG

by Mr. Prowse (who is director as well as designer) to make up for all those gods and things he has wisely left out. Honour, a fresh-faced youth (Ruper; Farley), bands weapons to those who need them for reputation's sake, and joius in unison with any line that treats of probity or esteem. Where boncur's at

as the King's mistress, but silly old father Calianax, amus-Aspatia, Amintor's formerly affianced love whom be is compelled to reject. Evadne is no maid ("A maidenbead? at my age?" she exclaims to ber waiting-woman on her weddingin this deceit. Later. Aminter and ber brother Melantius compel her to murder the King: sbe ties his hands to the bedposts ("What pretty new con-celt is this?") and stabs him before stabbing berself. Aspatia. disguised as a boy, picks ao honorable quarrel with Amintor

and dies at sword-point. The plsy, which is by Beaumont and Fletcher and dates from ahout 1608, is no masterpiece, just a Jacobean comedythriller, but it is the kind of thing the Citizens can do splendidly. The voluminous costumes are luxurious heyond belief, the scenery joins in; two great

At the peak of the Philip skeletons, while Honour comes Prowse's splendid set sits down to sow the stage with Honour, a character introduced swords like seedlings in an orcbard.

Julia Blalock's Evadne, hard and selfish, is oustandingly good; she and Pierce Brosman as the King make the murder delightfully excluing, the fatal thrust telliogly delayed. I think Colin Halgo might bave added a little more manliness to his Amintor, though it is true that the authors bave drowned bim in distress from start to finish. But Melantius (Mark Lewis) But Melantius (Mark Lewis)
takes over the heroic side of the play so completely that he becomes the Hamlet rather than the Laertes of the plot. (There is a Polonius, too. Aspatia's

"Isn't that where all the voice, plays Sue, and they are exactly as lovely as you would and most of them do do." If want them to be. Sylvia Syms that makes you laugh, you will plays Maude, and is as attractive enjoy Not Now Dorling, Ray as we know her to be.

Box and Cox are Derek Bond. ingly played by Steven Dartnell.

Aspatla (Angela Chadfield) makes a sterling boy under her stovepipe bat in the last act. and gives an aptly poor display of swordsmanship, an art in which her ambition outruns performance. Beaumont and Fletcher have Amintor stab himself at the end, and Melantius too, but Mr. Prowse has spared us such excesses.

The Citizens, by the way, looks resplendent in its new red and gold paint. It needs a fine gaudy auditorium like this to involve us even more deeply in the colourful but not-alwaysrepresentational scenes on the

New IBA head of programming

Currently programme controller of Radio Trent, the Nottinghambased independent local radio interval, to be replaced by shortly.

Coliseum

Julietta

by MAX LOPPERT

Opera Company production (in association with ENO) first seen last year was an evening of enchantment. I know of no opera quite like *Julietta*. With it, indeed, Martinu may have inof operatic surrealism allow interpretation in terms of dream symbolism (the New Opera Company has argued a highly persuasive case for reading Shostakovich's Nose in such light). in Julicita we eel the whole ing Shostakovich's Nose in such ing Shostakovich's Nose in such ing Shostakovich's Nose in such is light). In Julietta we seem to unwaveringly precise alignment feel the whole theatre itself hetween pit and stage, and playgradually transformed into a dream world. I know of few opera productions more perseptive, more accurate in style, ever straying into caricature. more firmly roofed in the music —more remarkable, in sum—than Anthony Besch's, in sets hy John Stoddart that deserve a permanent exhibition place st the Tate, and as conducted with his peculiar combination of glittering fancy and dramatic muscle by Charles Mackerras. It all amounts to a revival that any true opera lover would be mad to miss. Juliette ou la clé des songes,

decades after its premiere and four after the opera's, uncon-genial stuff—whimsical, tricksy. renetitive. By musical means of extreme subtlety such raw material is manipulated into a theatrical experience not only insidiously compelling but also, finally, moving and serious. Though the music particularly that of the first act, drsws little attention to specific working, a charge of blandness will not survive repated hearings—and Julietto is an opera for repeated bearings, repeated encounters.

Thursday's performance of ostinato-dominated music of Martinu's opera, in the New Illogical and incomprehensible situations; the rapturous, violin-drecched inventions associated with Julietta). We notice the marvellous variousness of Martinu's orchestra, the marriage of well-tried orchestral sonnds of

Thursday's performance did not immediately seize the audience. In the nagging motor-rhythms of the opening scenes, ensemble was intermittently uncertain; responsible for delaying whole-hearted absorption (with the passage of ENO seasons it hecomes unfortunately clear that for opera of less than the most spectacular kind and size our beloved Coliseum is s dreadfully inhospitable

the play by Georges Neveux on theatre). But halfway through which Martinu so faithfully the first act, the fantasy took based his opera, seems now, five bold, and thereafter sustained its bold in such a way that it became impossible to imagine the opera better done. Stuart Kale as Micbel heads

of new and old elements. Mr. Kale has sharpened his acting and found a new degree of ease and power in his singing—the portraysl is now three-dimen-sional (as the only "real" cbaracter in the opera needs to be), substantial, and very touching. The new Julietta is Sally Burgess, less artful than Joy Roberts last year (and less For then we begin to recognise bappy in the same blond wig the degree of musico-dramatic and baby-blue chiffon dress), mastery, to understand bow the more successful at suggesting dream-web is woven and the an essential note of distance magical fluidity of mood and detachment; in low and achieved, to appreciate the middle registers particularly, quicksliver transitions between the three basic musle-types lovely, liquid phrases, markedly (Michel's Debussyan sequences, individual in tone, Immaculate,



instanced at the very start; the razor-sharp brief appearances Earle in a number of parts; display.

by Sarah Walker (fortune-ideally, the entire cast ought to teller), Edward Byles (Official be mentioned. The pronunciaof the Bureau of Dreams), tion of the word Paris requires
Dennis Dowling (beggar), and
Sandra Dugdale. Dennis Wicks,
Justin Lavender, and Roderick manner are variously on

Not Now Darling

year-old farce.

To relste the plot of a farce

is to decant champagne, as Archer or somebody said, but I can give you the setting. Gilbert Bodley, his wife Maude and his designer Arnold Crouch run an expensive fur salon on the fourth floor of a West End huilding. Gilbert not only bas a wife but a mistress, Janie, the wife of Harry MacMichael, who also bas a mistress, Sue, the wife of Mr. Lawson. The staff includes a pretty model a mature secretary and a commissionaire (never seen but constantly active on the house phone whenever any girl's clothes drop from the balcony). The customers include a naval officer and his wife who play Box and Cox but have little other function except to collect a fur coat which is usually worn meots of the folk on stage. However, this is a well-tried formula,

the younger wives. Gilbert is played by Leslie Phillips, Arnold by Andrew Sachs, and they are exactly as funny as you would expect them six-footer, plays Janie, Seretta is the work of Alan Tagg. Wilson, putting on a common

as the breezy old naval officer and Monlca Grey as his countrybred wife. Tony Anholt plays Harry McMicbael, Janie's husband, a businessman sbort in temper and in morals; the little but enviable part of Sue's hushand, who might be a barrowhoy or something, goes to Nicbolas Field. June Whitfield has fun with the staid secretary knocked off-balance by the alarming goings-on in the shop.

The playing is what you expect from would Cooney's direction. I think it's the wroog kind of playing for farce; they all try to be funny all the time instead of playing the lines to be believed, so you can't, or anyway I can't, share in the tensions and embarrassover the bare skin by one of and if the fashion persists audiences who like to know what they're going to get should enjoy themselves all right. The unelaborate sbop premises with its two coovenient snte-rooms to be. Helen Gill, a red-haired and its wide balconied window

Nottingham Playhouse

Forever Young

by MICHAEL COVENEY

though far-fetched idea for farce, before dwindling into yet Grosvenor Square. This of The point is that Jackie (Lois action into gear with impos: Daine), a sexy pin-up in the physical developments, class of '68, has issued invitations to people she bas not seen

And on they come: the balding dentist from Guildford with a heavily pregnant wife in babits. This, after an extreme pursuit: retarded bippie with bad words for everyone, including Dylan; while, is trying to convince a sloppy couple wbo still hold out hopes of an orgy while language and levitate. passing the joints. After an initial flurry in which the dentist is bundled nude on to the stage after a quick hurst of sexual nostalgia with Jackie in the obligatory orange tent. the characters relax into a squat round the picnic to chew over the old days.

B. A. YOUNG This exercise in group masti- different survivors.

Sbane Connaughton's new cation soon wears thin as comedy begins with a promising, you never helieve for oncharacters make for their past farce, before dwindling into yet or its value to them. In faci, another interminable lament for Mr. Counsughton throws in the the 1960s. The scene is Black- towel hy coming round to the bushe aerodrome. Surrey, conclusion that they were all a where Bob Dylan is to perform buoch of dead beats to start, for 100,000 weekend beatniks with. So we are left with a with paunches and memories of sentimental morass flecked with the odd finniv line and the course bappened only last year, occasional attempt to crank the

The dentist's wife, for instance, is put to sleep only t wake every now and then with some unconscious give-away (." ber husband's kinky bedroom a Yeats-quoting unfunny outburst of pre-na farting, Jackie's husband, mee :everyone that they should ditch

Keith Washington's production, on a relentlessly ugly to functional design by lan Smith indulges the text but still manages to extract good performances from Nick Stringer as the unreformed, lecberous dentist and from Robert Lloyd and Arbel Jones as two very

TENNIS BY JOHN BARRETT

McEnroe wins again at Wembley

old left hander from Douglaston, New York won his second successive Benson and Hedges championship at Wembley yesterday. He beat Harold Solomon, a fellow American, 6-3, 4, 7-5 in 2 hours 31 minutes of long and arduous rallying.

This was McEnroe's eleventh tournament win of the season from 15 final round appearances. He won \$35,000, taking his season's prize money to \$585,000—easily higher than any It was one of those days when

the champion's touch had deserted him. He was not serving well, and the clever mixture of looped drives to the baseline and early fierce drives from Solomon denied him the rhythm on which he normally thrives.

We were treated to more errors than usual as each man strove to break the other's will. Solomon wanted to prolong the McEnroe sought to shorten them, but unless his approaches were near the lines

he was likely to be passed. The first set, which lasted victory. 55 minutes although it con-McEnroe broke serve twice, in first been broken in the third of the original entrants with- public services and safety com- stewards.

belonged to Solomon. On three consecutive McEnroe services he held break points. Twice, rasp-ing cross-court backhand ing cross-court backhand returns which bad beaten his opponent fell inches wide.

and contesting every doubtful call with characteristic aggressivenss, ultimately captured Solomon's serve 2-love with four superh winners. It was as if having been let off the hook be could relax at last.

But he was still made to fight in the third set. A lead of 3-1 was wiped out as Solomon broke hack in the sixth game and then held serve to lead 4-3. But now McEnroe was looking

A love game brought 4-4 and three games later he cracked Solomon again 2-love, to move ahead 6-5. An eighth ace in the following game wiped out the loss of the first point and and hit with considerable pace, three quick points later he was likely to be passed. McEnroe had achieved his

tained only 9 games, went be- organisers of the tournament. youd deuce on four occasions. Their considerable and expensive efforts to produce another the fourth and sixth games, to first class tennis event were turn the set his way. He bed dealt a serious blow when 10

game, when he delivered his drew from the tournament third double fault. before it started The second set should have arrangement—namely his contract with the Association of Tennis Professionals.

McEnroe, hanging on grimly

be delivered by ATP.
"I think the message has got altogether more confident.

One must sympathise with the

This has led Mr. Len Owen. Benson and Hedges' director of special events, to question the wisdom of another expensive Evert-Lloyd.

This year, with packed houses on the last three days, its members will earn more by sharing in the gate receipts than they have done for the past three years from a straight fee. But the one commodity which every sponsor needs to sell an eventthe star players—simply cannot

home," said Mr. Owen yester-day. "Next year is the last of our five-year agreement, and of course I am considering every option open to me for future each.

lenge brings together 32 of the world's leading women players. headed by Wimbledon singles finalists of the past two years - Martina Navratilova, the generally reckoned to be the double champion, and Chris most anaemic eleven seen bere

Virginia Wade is challenging for Britain. However, it would be unrealistic to expect her to give us a home victory in such exalted company.

McEnroe also successfully defended bis doubles title with Peter Fleming. Playing immaculate tennis, they captured their tenth grand Prix title of the year together by beating the scratch partnership of Stan Smith (U.S.), and the Czech No. 1 Thomas Smid 6—2, 6—3 in 51 minutes, to earn £2,731 each. The runners-up received

GLC proposes rules for discos

of conduct for disc operators. Called "Disco Rules-OK" the code is an attempt to curb violence at discos which bas caused the death of eight people in London so far this year.

THE GREATER London Council mittee next Thursday, the code has published a proposed code will be distributed to more than 1,000 holders of GLC music and dancing licences.

agement of premises; searches it up as a two-balf affair. His for offensive weapons; strict rules on dealing with trouble-If passed by the council's makers; and conduct of staff and score, while Arsenal had domi-

SOCCER BY TREVOR BAILEY

Rix could fill Brady's Arsenal role

even more remarkable.

On Saturday, Arsenal thoroughly deserved their 2—0 victory over Everton, which takes them into a challenging fifth place in the first division, only three points behind the new leaders, Liverpool.

Much clearly depends upon the outcome of their next two fixtures against Liverpool at home and Forest away. Four or even three points from these matches could see them in front at Christmas. Even if this happens it is difficult to believe that the present Arsenal will he the eventual League champions. Two or three of their present side are no more than average and they are over-dependent unon the genius of Brady.

contest. which was a credit to The code covers such aspects both contestants, the Everton as; control of admission: man- manager, Gordoo Lee, summed side bad enjoyed the better of the first seasion and failed to nated the second, but had put the most imaginative, inventive almost entirely rebuilt the side they represent an excellent bet

Cup at the expense of Brighton, dual performances of two mem- chases, be must be worth in are gradually settling into a generally reckoned to be the bers of the home team, which excess of £2m.

first balf, which prevented the for much longer. The financial hacks around. Latchford who visitors establishing the lead attraction of European and then, had to go off with groin strain they deserved. In sharp conpresumably, American football at half time, and Kidd form trast, Hodge the Everton goalkeeper. was painfully suspect have to work once his playing their midfield throughout, especially agains! have to work once his playing bead. Providing their midfield days were over.

Like Best and Keegon, he is and Stanley can complement their clever football with goals. the Arsenal goals. Then there was Brady, who

dominated the proceedings to such an extent that he made all the other players on the pltch, including Talbot and Hartford, who both cost fortunes, appear second-class.

be really did justify the crowd's After a pleasant and exciting chant "Liam Brady is Magic." decided.

three brilliant saves, two in the unlikely to retain his services

entertainer. Every time he bination, especially if Wood, received the ball the crowd their Scottish international goalhuzzed with anticipation and they were seldom disappointed. ball as much as he does as the a strong and uncompromising king of Highbury, is less likely.

His dribbling, distribution but money talks, and positional play was so Although Brady's departure around £1.5m on new players, brillant that the Everton would be a sad loss, the club but still have some money left an outstanding player. The similarity in atyle, build and

a damaged ankle the game was had to live under the shadow this until next season, unless On this display Brady looked side rivals, Liverpool, have FA Cup, where for my money

This week the Daihatsu Cbal- IT HAS been a happy week at the ball into the back of the enge brings together 32 of the enge brings together 32 of the storemed through to the quarter a fair basic assessment, it did the present inflated market, and began hadly and are still the word fully account for the indivi-

most anaemic eleven seen here really represented the differthis season, and making their ence hetween the two.

away win at Nottingham Forest

First, Jennings brought off country Arsenal are most from Aston Villa, they possess two of the finest attacking fullwould guarantee he would never a highly efficient double spear-have to work once his playing bead. Providing their midfield but he is also a high calibre they will be a much feared comkeeper-absent on this occasion with a cold-discovers his best Whether he will enjoy his foot- form as the vital link hehind

> back four.
> The Merseyside club has spent defence was in danger every is fortunate in having Rix, who from selling some fine foot-time he was in possession and might then blossom forth into ballers who wanted to leave. The ability is there. It is now up to their manager to trans-He laid on Stapleton's second preference for the left foot of late this into results through goal with a beautiful run and Brady and Rix is at times a combination of football and perfectly executed pass. When he limped off near the end with Everton, who for so long bave doubt whether he can achieve of their very successful Mersey- they bave some luck in the

FINANCIAL TIMES

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Monday November 19 1979

An appeal to the Dutch

fresh arms control proposals with the Soviet Union. The offer of negotiations has been planned for some time. One of its main purposes is to reassure public opinion that NATO is Netherlands, and the churches, not seeking to escalate the which disapprove of nuclear arms race by deploying the Cruise and Pershing missiles. Following President Brezhnev's East Berlin "peace initiative" of October 6, it will now also answer to hia proposals.

Resistance

the strongest resistance to the Western plan. at least in its current form, has come from the Netherlands. At last week's meeting of the Alliance's Nuclear Planning Group in The Hague, Mr. Willem Scholten, the Dutch Defence Minister, was obliged to record serious reservations about the programme, under which 48 of the 572 new missiles would he based in his country -despite the fact that be personally favours the scheme. The strength of Dutch Parliamentary opposition is such that be was forced to argue for a postponement of any decision to deploy, though not to produce, the new weapons, until Soviet intentions have been tested in further arms control negotiations. Alternatively, or additionally, the Dutch Govern-ment would like fewer of the new missiles to he based in the Netherlands and the number of nuclear warheads already in the country reduced.

The other countries showed little sympathy for the Dutch its own defence. The Alliance position last week. The U.S. and does not usually ask much of bis standpoint was totally nn- able and prosperous life at the realistic and emphasised that the heart of Western Europe. The Dutch will realise in the coming want others to bear the unpleaecks that the package cannot sant burden or be reopened and will therefore weapons. It can only be hoped Brussels in December. Given tion which to many others looks that there is to be another smug and hypocritical.

MOST MAJOR NATO Govern- debate in the Dutch Parliament ments now seem ready to go before then, and a further ahead with an important double Cabinet meeting on the issue, initiative at their annual winter that outcome is still far from Council meeting in Brussels certain The other countries faca next month. A decision to mend a dilemma: they do not want to a gap in Western defences by let the Dutch off the hook by deploying a new generation of committing themselves to going American nuclear missiles in ahead without The Hague, but Europe is likely to be accom-panied by an offer to pursue the Dutch the impression that they have a veto over the whole

programme.
The D Dutch Government obviously has a difficult problem on its hands. Anti-nuclear feeling is traditionally strong in the weapons, remain a potent force sophisticated new American in national politics. Many Dutch opponents of the new missiles have been tempted to swallow the bait dangled by President Brezhnev when he offered a unibe seen as the West's political lateral withdrawal of a number of tanks and troops from East Germany, new erms control negotiations, and a guarantee not to use Soviet nuclear weapons against non-nuclear Western countries

But the Brezhnev initiative has if anything hardened the resolve of the other NATO countries. If they defer a decision on the new missiles, as the Soviet leader is asking, it will look as if they are afraid to go ahead without the blessing of the Kremlin—an impression that they are desperate to dispel in the wake of the unhappy "neutron bomb" affair. There is in any case plenty of time for negotiations between a decision to go shead next month, and deployment in 1983. Build-up

There are overwhelming stra tegic reasons for introducing the new weapons, which will provide a cleaner, more accurate and more credible deterrent in Europe in response to a massive Soviet nuclear build-up. The parallel arms control proposals will constitute a serious offer. If the West now falters it will look as if it is incapable of united action in does not usually ask much of the UK told Mr. Scholten that the Dutch, who lead a comfortpackage must be accepted as a Dutch, one must assume, want whole. Their hope is that the to be defended, even if they stand up and be counted in that they will abandon a posi-

No alternative to cash limits

THE GOVERNMENT seems to bargaining that has developed have planned its tactics for the in Britain over the past few "public sector pay hattles ahead years, the Government had no with more finesse than did its alternative but to set a pay norm predecessor. Friday's announce which it must bave realised is ments of cash limits for the local authorities and nation-negotiators automatically trans-alised industries struck a late a figure which is intended balance between confrontation as an average or a maximum and appeasement that may into a minimum and then stake and appeasement that may Britain to mnddle through the coming pay round ihle and just systems of administration are repetition of last year's tration have to be discarded. hardships. Although, in the Jong run, the continuing use of cash limits as an instrument of incomes policy will cause issue guidance or make plans serious dislocation in public with the clear objective of prosector investment programmes and may exacerbate the inefficiency of many public sector activities, the Government bas indged that the immediate need to contain wage inflation must take priority. It is bard to disagree with this assessment.

Unrealistic

In principle the way that governments have used limits to undermine the tradi-tional system of public expenditure planning is unsatisfactory. Ministers and officials spend months going through every part of the public sector with a fine tooth comb, balancing priorities, cutting what is dispensable, augmenting what is not and finally presenting their plans to Parliament in a White Paper. Then, a few weeks later, many of these decisions are in effect overturned, when the Government announces an unrealistic estimate of inflation which will allow hlanket cuts to The imposed by the use of cash

Lithe local authorities can regard as realistic the allowance of 13 per cent for inflation built into the local authorities' cash limits for next year. To keep wage bills for 1980-81 within 13 per cent of this year's level, local anthorities reckon that pay settlements will have to be kept set a nationalised industry pay down to around 10 per cent, norm. The nationalised indusper cent officially demanded by the Government, while rates will increase faster than inflation. from government supervision—

scarcely attainable. When union their virility on beating it, sens

inevitable that the weakest will

Investment

it also looks as if consumers may suffer most in the coming pay round. The nationalised industries' cash limits are not accompanied even by hints of the Government's expectations about pay increases. Officially the explanation is that the state corporations should he allowed to act as nearly like private companies as possible. The cash limits constrain their borrowing, but there is nothing, apart from competition, to prevent nothing, apart from good sense ing that funds earmarked for used to pay wages. This is why chairmen unsuccessfully tried to resist the Government's decision to publish its cash limits so

early in the pay round. But the Government had good reasons for publishing its cash limits now and for refusing to than any other group to bring Government's philosophy to cut their pay arrangements loose to avoid national confrontations and to ensure that consumers,

West Midlands industry shows the stiff upper lip

BY ARTHUR SMITH, Midlands Correspondent

trialists will have to live came from the engineering with," is bow Mr. Reg Parkes, chairman of Brockhouse and of the West Midlands region of Industry, describes the new record level of interest rates. Ha retains "a measure of

optimism" in the face of one of the gloomiest surveys, published last week, ever conducted by the local office of the CBL Questionnaires to Midland companies indicated a sluggisb bome market, difficulties with exports, lower employment, a worsened financial position and a deterioration in business confidence. On the brighter side there had been a slight there had been a slight improvement in capacity ntilisation and "a marginal revival" of planned investment spending.

The regional council, meeting on the day that the Bank of England hiked minimum lending rate to a record 17 per cent, demonstrated "a remarkably resilient attituda" to tha immediate problems, according to Mr. Parkes.

"We must stop talking ourselves into a depression which could become self-fulfilling. I am no more pessimistic than was a year ago. The regional economy has been huffeted enough in the past 12 months and bas the strength to withstand 1980."

An example of the relative optimism demonstrated by a number of companies within the region is provided by Mr. Leslie Fletcher, chairman of Glynwed,

a Birmingbam-based company with a broad range of interests in manufacturing industry. He said at the weekend that the picture would have to be reviewed in the light of record mterest rates but none of his managers had taken as gloomy view of the future as that indlcated by CBI forecasts.

"Like the man who jumped from the top of the tower block we might still be at the 13th floor and saying everything is OK, but our experience just does not tie up with the CBI forecast."

For Glynwed, with interests in steel stockholding, industrial fasteners, bathroom and kitchen equipment and consumer durables the position is no better nor worse than for the past 12 months. "Our capital expenditure next year will be similar at between £8m and £10m and we shall be looking for improved productivity and higher ontput," Mr. Fletcher maintains. The apparent divergence of

view between industrialists is a concern. reflection of the current uncertainty of exactly where in the economic cycle the region the face of foreign competition become viable. stands and what damage the industrial disputes of this year have already inflicted. 1979, which started with the strikes in road baulage and petrol delivery, has seen profits aqueezed by mounting inflation, bigh interest rates and the centration of manufacturing average.

OUGH MEDICINE—but industry—around 46 per cent of the workforce is in that sector—

dispute. The two-day strikes and overtime ban cut the output of the Confederation of British many companies by more than half. Even now, because of the disruption to production sche-dules, it is difficult to assess capacity utilisation: managers are not sure whether orders represent re-stocking or real

> The engineering industry in general seems to be operating at around 85 per cent capacity
> a considerable improvement
> on the depressed conditions of only a couple of years ago but still a long way short of the activity at the beginning of the A similar picture emerges in

the machine tool sector where the boma market is depressed, low-priced orders from China, the Soviet Union and Eastern Europe have averted new redundancies. Price competition is even more acute, particularly from the Japanese in the market for electrical machinery. Demand for con-sumer durables showed considerable buoyancy ahead of the July increase in value added tax but dropped back quickly. Some manufacturers report an improvement in recent weeks but expect the market to slump after Christmas.

A prolonged downturn

The carpet industry, which has suffered a prolonged downturn in recent years, saw a dramatic increase in some markets in the early part of 1979 but now faces competitioo in the tufted sector from U.S. imports. Factories are still running at around only 70 per cent of capacity.

The pottery industry, in spite of problems posed by the rise in sterling and decline in tourism, has failed to realise planned growth but has maintained The key factor determining

the pace of activity in the region is motor vehicles which employ more than one in six of those in the manufacturing sector. Not only has BL production fallen far sbort of expectations but Chrysler UK and Vauxhall bave suffered shortfalls because of extended industrial disputes. The dramas which bave

centred upon the future of BL tinued investing." have cast an inevitable shadow over the region. Apart from its toll on profitability, bowever. 35 per cent of last year, it was those assembling vehicles, about and a "sizeable" amount of more the result of low profitability. another 100,000 workers in component companies are directly Mr. Davies believes the worst is dependent upon the State-owned now over and that BL, under the dependent

has weakened in recent years in be able to retain markets and so the manufacturing base of Mr. John Warburton, director the West Midlands economy has of the Birmingham Chamber of been eroded. In the period from Commerce, points out that even 1970 to 1978 manufacturing with the problems of the past employment in the region 12 months, unemployment in declined by 102,000 or 9.3 per the region has not climbed cent. West Midlands workers dramatically, and at 5.6 per cent who beaded the national earn- is only marginally above the 5.5 appreciation of sterling. But the ings league in the 1960s have per cent average for Great biggest blow to the West slipped steadily downwards. Pay Britain as a whole. Midlands with its heavy con- is now below the national Within the total



Views from the Midlands: Mr. Anthony Rudge of Barciays Bank (left): Investment continues; Mr. Leslie Fletcher of Glynwed: looking for improved productivity; Mr. Reg Parkes of Brockhnuse (right): markets are more competitive.

vehicle sector - cars, trucks and tractors — more clearly illustrated than in the foundry industry. Spare capacity in ferrous foundries is running at around 40 per cent and in the aluminium and light alloy sectors even higher.

The drop-forging industry. which again supplies the vast bulk of its output to the vehicles sector, is working at only around 65 per cent cana-city. Mr. David Powis, director of the National Association of Drop Forgers and Stampers, points out that around 2,500 jobs have been lost in the past 18 months. A similar shake-out is anticipated over the next 12 months, Birmid Qualcast, one of the largest foundry operations in Europe is trimming labour and capacity because of the re-duced demand: up to 1,250 jobs, most of them in the Midlands are on their way out in the 12

months to next spring. Over the past decade Birmid bas cut output 30 per cent from around 300,000 tounes and labour by 25 per cent from 12,000 to 9,000. Mr. Terry Davies, managing director of the Birmid foundries, says the incustry has "come down a very slippery slope hut bas con-

The engineering dispute took investment has been postponed. revised strategy of Sir Micbael As BL's hold on the UK market Edwardes, the chairman, should

Within the total there are potential problem

works and redundancies by investment can companies such as Guest Keen depressed, be maintained and Nettlefolds and Goodyear. The two issues of most conalready has male unemployment carn to management at the at 7.6 per cent. At Covenity, moment are the likely trend of where 6.6 per cent of workers exports—a question linked to are jobless, Massey Ferguson cost pressures and the price of are johless, Massey Ferguson cost pressures and the has just announced 250 redund sterling and wages. ancies and BL plans to axe 6,000 jobs with the ending of car assembly at Triumph, Canley.

Mr. Warburton suggests that some of the work shed by the large concerns is now being sub-contracted to medium and small-sized companies. The region has always boasted of the enterprise and efficiency of its small businessmen, and the relative optimism of that sector, is confirmed by estate agents' reports of demand for small Mr. Anthony Rudge, a Bar-

clays Bank director and chairman of the Birmingham board, detects a similar trend, pointing out that smaller companies can often be "lighter on their feet" in times of trouble.

been any change in business activity over the past three months. Industrial and enemiering companies are still taking only 44 per cent of the evel draft facilities available. White that was an improvement on the ability and higher interest charges than any sign of new investment. Investment, albeit for improved efficiency and productivity, rather than additional capacity, bad continued on a fairly steady basis in recent years, Mr. Rudge said.

Mr. Steve Rankin, director of the West Midlands region of the CB1, acknowledges the apparent bright spots, but believes the region is moving into a recession. "When we entered the last downturn in 1974 it was at the end of a period of strong demand. Now it is at a time of low growth, low profitability. unemployment, world

Nowhere is the consequence Wolverhampton, with the plan recession and high inflation."
of the poor performance of the closure of the Bilston steel Against such a background

In the face of depressed bome markets West Midlands companies have made great efforts to export. Executives, who at the heginning of this year were saying they could not bope to sell overseas with the pound at \$2.05, baving faced \$2.30, would

now gladly settle for the

original level. Mr. Reg Parkes, chairman of Brockhouse and of the West Midlands region of the CBI, reports that markets are becoming more competitive, particularly in Western Europe. The recent decline in sterling bas given new encouragement to Midlands firms but much of this has been offset by cost pressures as inflation continues to

The problem is illustrated by He does not think there bas Mr. Richard Wootten, UK sales. director of Tube Investments steel tubes division, which has 15 companies in the Midlands. 15,000 workers and an annual turnover of more than £300m.

Marginal

sion to promote exports which this year are likely £60m

While TI must retain long-term commitment to key markets a proportion of the turnover is "opportunity basiness." Such marginal orders say for the tube to Eastern cult business climate, low Europe—can be accommodated profits, hostile public opinion business is jettisoned must depend largely upon the move-

ment of sterling and costs over the next few months.

Given the industrial relations problems managements have faced so far this year there can be no mistaking the concern about the outlook for the current pay round which will stretch through the winter months. At this stage, however, the most serious risk of disruption is likely to come from public sector employees protesting about out-backs rather than from manufacturing workers.

While managers might differ in their interpretation of the changes taking place within the region, the message of shutdowns and redundancies has not been lost upon the union leader-ahip. Mr. Phil Povey, an experienced regional official of the Amalgamated Union of Engineering Workers, says: "We are seeing the manufacturing base of the region being eroded at such an alarming pace that one can only be fearful of the

However, he does not think the seriousness of the situation has penetrated to the shop floor. "Workers are still being dazzled by the glare of redund ancy and severance payments. They do not realise that it provides only temporary relief. This time the alternative jobs will not be available."

Union officials note also a determination emong employers. According to one senior officer: Management is no longer prepared to enter into a Dutch auction. There is a tendency to come into negotiations with a first offer that is also the last. They say what they mean and mean what they SEY.

The failure of production workers at Chrysler UK to extract any concession from management after 15 weeks of strike action seems to have exerted a salutary effect on the region. Militancy has also evaporated among engineering workers wbo demonstrated loyalty to the union leadership in the recent dispute but feel they have little to show for their sacrifice.

Perhaps the key to the position is the BL workforce whose annual wage increase was due at the beginning of this month. Sir Michael Edwards by-passed the militant shop stewards in a ballot to get overwhelming support from the workforce for the closure of plants and the axeing of-25,000 jobs.

In response to a shop stewards' claim for a 30 per cent index linked pay rise he is now offering 5 per cent in The division confronted with meturn for fundamental changes lack of growth in the home in working practices—a demand market, took the conscious deci- which is now backed by Sirving the lack of the l Keith Joseph, the Industry Secretary, as a condition for advancing more money to the State-owned concern.

The made unions in the West Midlands are noted for their militancy but seem to be realising that in the face of a diffi--cult business climate, low on a low profit basis for only and a determined Government, a short time. Whether such any wage increases will have to be carned in the main through higher productivity.

Making an entrance One of a new breed of what

might be termed guertilla diplomats, 24-year-old Tomas Aguello, did not have the smoothest of passages when appointed Nicaraguan consul in London. It turned out that the existing ambassador, Benjamin Marin an old supporter of the deposed General Somoza still considered himself the legitimate London representative of Nicaragua, and only handed over the keys to the embassy last week. It appears that he was helped to see reason by the metropolitan police. Con-scious that even in Gloucester Road they were dealing with a foreign territory, they rang Marin up, rather than making a personal visit, to explain certain practical implications of the revolution back home. The ex-ambassador has now left for America, leaving behind a trail of bureaucratic debris and, 1 am told, "some trouble about the embassy car."

A student of economics at Essex University until his elevation, Arguello exchanged a smali flat in Colchester for a make shift bed among the filing cabinets at the embassy. (The embassy has no living quarters Firms as such-Marin lived else-

diplomatic standing in London analysis, importance in the commodities world. The ravages of last summer's civil war-especially the random bombings by Somoza's airforce - so shredded the country's economy that full kept open only in Brussels, Paris, and Madrid. The Brussels EEC, Beigium, the Netherlands the students for "presentation," and Britain; he hopes to present "content," and "application his credentials to the Court of back home." An essential man-

which send their wina list.

Organisational lecturer Richard Ottaway, who also runs an optional one-day embassies in Europe are being course called Who am I? tells ma his new wine tasting option, besides being the most popular ambassador has to cover the of all, has won top marks from St. James's within the next few agement skill? "Certainly," says Ottaway guardedly, "eating

useful, perbaps more useful than, Transactional Say. Analysis, during the long slow the sort of political language unknown there for many years. days of the coming recession. Ottaway has kindly sent me a full list of all the wines tasted on each course. The highlight of the first was, be says, the Sauternes; their consumption proved a genuinely educative ranged from 'No thanks, can't stand the stuff' to 'Mother always served it for Christmas lunch.' But after a bit of coaxing they all agreed it was a great experience when drunk with the Barlett pears in syrup," be tells me.

> Marked men Trade Secretary John Nott's recent attack on the growth of rampant consumerism" in the 1970s prompted a swift response from the Consumers' Associapublishers of Which? magazine. At the association's annual meeting at the weekend, badges were distributed pro-claiming "I'm rampant." The target of the demonstration was presumably Sally Oppenheim, Consumer Affairs Minister, who addressed the meeting. Badges are now reported to be

ment of Trada.

Disinterring Igor

country, Canada is disinterring its very own spy scandal, with parallell, though admittedly less salacious, hints, of cover-up and skulduggery. Fanning the flames is the new solicitor general Allan Lawrence, who is curious to know the contents of the file on the late Forties Russian spy affair.

1946, examined numerous documents and took a great deal of evidence in secret : the material was then locked away for the statutory 30 years. explanation was forthcoming when thay were not made pub-lic in 1976, and the Trudean Government . . mysteriously ordered that they should be locked away for another 20

Lawrence claims no-one in the Government knows what make this so essential, and has sent a sharp letter to the Dominion Archivist asking for either a summary of the documents of permission to look at them.

Chez Abdul As any headlina will tell you

Tehran is not exactly the friend liest place for a foreigner to visit these days. Yet this has not stopped the U.S. hotel chain Hilton from attempting to lure business travellers to ravolutionary capital. A leaflet prominently dis-

played in the Abu Dhabi Hilton begins: "There used to be times when it was difficult to get a room in Tehran." These days, it remarks delicately, "we are not as busy." The Tehran Hilton, it seems, is still in full operation: "Our employees are eager to show you that you have good resson to stay with the good reason to stay with us when your travel brings you to Tehran " The sales letter signed by the resident manager Abdul Rahim Kazerouni, goes on to list the culinary delights of the botel, such as the French restaurant. Chez Maurice, the Persian garden for local cuisina. and the coffee shop for food at " popular " prices: " Our recreation facilities are unequalled in the city, relax at the bealth club, have a sauna and hring your tennis racket. It would he a pleasure for me and all the employees of the Tehran Hilton to welcome you soon." the letter

Observer

adds confidently.

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James Pollock, Industrial Development and Estates Manager.
Livingston Development Corporation, Livingston, West Lothing

MAKE IT IN LIVINGS TON

Nevertheless. the local

. Neither the Government nor once pay drift and overtime is tries' workers have more power taken into account. Almost certainly, therefore, there will the country to a standstill. It is be spending cuts beyond the 21 tntirely consistent with the

authorities generally feel that between unions and government they have dooe es well out of the Government as they could rather than taxpayers, foot the reasonably have expected. For bills for the excessive wages that in the irrational climate for pay miners or railwaymen may win.

It is regrettable that the Government, in its capacity as public sector employer, cannot issue guidance or make plans moting growth, efficiency and social justice, but has to take counter-bluff. Against this back-ground of confrontation, it is

In the nationalised industries them passing on pay increases in their prices. There is also investment should instead be nationalised industries

secretary and researcher-will socially." be bolding the fort unaided, and the offices in Gloucester Road will resound no doubt to

Sign of the times America's most cootroversial former Secretary of State, Henry Kissinger, is being given a rough ride these days by the gentlemen of the Press. On the subject of Cambodia especially. threy goad him to the point where he is is wont to turn white with anger and frustration, stumbling over his words and stahning the air like Basil Fawlty reprimanding Manuel Last Friday—at a London news conference held to publicise his memoirs. The White House Years-he was faced with a particularly hostile crowd; of interrogators from Britain and abroad, and it was revealing, therefore, to see so many of them creep np afterwards to the good doctor begging him to autograph their free copies of

Mixed options

brightest and best to the 10where.) The new consul is week management course at engaged principally in negotiat Manchester Business School ing on European sales of cotton, may be reassured to learn that -apart from baving their Nicaragna is maintaining heads filled with marketing micro - electronics, chiefly because of the City's group dynamics and so onwhen their men return few will ever again be foxed by a

Until then, the Nicaraguan and knowing your way round Consul and his one assistant- food and drink are major ways which we communicate

This expertise should come in

in great demand within more playful sections of the Depart-

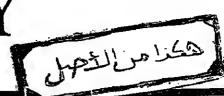
Not to be outdone by the old

This began with the flight of cypher clerk called Igor Gouzenko from the Russian Embassy in Ottawa, and was followed by a large-scale investigation into spy rings operating

vears.

FINANCIAL TIMES SURVEY

Monday November 19 1979



ELECTRONIE GUMPONENTS

Electronic component manufacturers have a diverse and fast-changing role in the electronics industry as a whole. Many new developments will be highlighted in London this week at the Electronic Components Industry Fair, 'Electronics 79' at Olympia, (November 20-23).

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Microprocessors	H	Active components	VI
Distributor networks	. III	Passive components	VI
Optoelectronics	IV	Interface devices	VII
Power supplies	īv	Power components	VIII

The Single Board Controller. It's likely to be the single most potent force in transforming your business in the 80's. All the pundits rell how the new generation of micro systems can cut your development costs... get your product to market faster... leave the competition standing. What they miss out is what you, as a businessman, can actually do about it today.

How to switch on to systems power
Start talking to Rapid Recall. You could call
them Britain's No. 1 Microshopkeepers.
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date product in the world—existock

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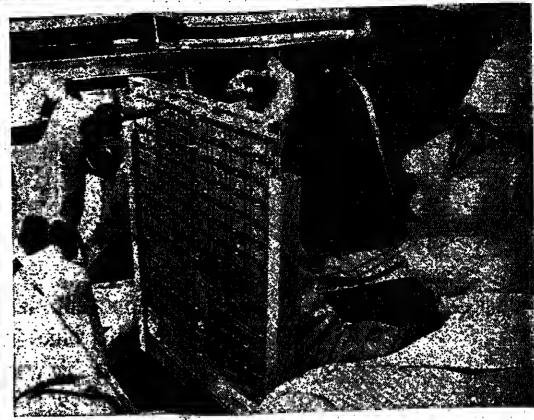
See us on Stand 712 at... Electronic Components Industry Fair 20-23 November 1979

or contact: Industrial Development Officer Northumberland County Council **County Planning Department County Hall**

Newcastle upon Tyne NE11SA Tel.(0632) 26613 Telex 537048



onto a contact lens (diameter 9mm), which rests on a watch face



Eugene Zienkiewicz working on a 32K RAM (memory) board for a message switching system at the IFT Business System's Group Data Systems Division factory at Enfield, north London

Rapidly changing sector

By Elaine Williams

ELECTRONICS COMPONENTS is one of the most diverse sectors of industry, ranging from the manufacture of valves and devices such as semiconductors (silicon chips)—which include microprocessors traosistors. and memory circuits to radio components, such as capacitors, resistors, electro-mechanical devices and printed circuits boards-to the electronic tubes which are used in the manufac-

ture of televisions.

pooeots market has been growrapidly than the economy as a whole. The manufacture of components is a rapidly changing and highly competitive one as illustrated by the semiconductor market which is dominated by U.S. companies.

Microelectronics is one of the key technologies of the future ment manufacturers since if UK and this is the reason why most products are insufficiently com-European countries have in petitive or if output does not

ing rapidly, in fact, far more in the face of U.S. dominance of this sector of the components industry, there will be some ndigenous manufacture.
The UK strategy for its com-

ponents industry is typical of the feelings of other European Electronics compartners. ponents are important to equip-

In Britain, the electronics comvested heavily in semiconductor grow fast enough imports will manufacture to ensure that even grow considerably faster than

Microelectronics components will be used in products rang. Committee of European Assoing from consumer durables to industrial capital equipment. In fact, since the words silicon chips came into common usage, electronics components industry has become extremely important.

Reports by the National Economic Development Council Sector Working Party for the industry pointed ont the importance of a strong components supply industry. The Electronics Components Industry Federation which represents manufacturers described 1978 as a very eventful year for this sector since it was a year in which the Labour Government pledged a great deal of money to the development of the semiconductor side of the industry.

The ECIF has worked closely with the Department of Industry and the NEDC to support the industry as a whole. In 1977
the Electronic Components Industry Support Scheme was implemented to developing mainly the passive components werth a total of £20m. This scheme finally closed last year.

The NEDC considered that without a strong components industry, Britain's success as a technologically advanced society could be threatened. The NEDC stated that the revolution in microelectronics had implications throughout the component industry since the increasing trend towards greater integration, many discrete, or separate components are replaced by in-tegrated circuits.

Example

This is exemplified by the fact that in the early 1970s a typical colour television set contained 1,100 to 1,200 separate components. Today, a British set contains less than 600 components and Japanese designs have only 420. In such products the in-creasing use of integrated circuits leads to a reduction in overall component demand.

However, in other areas such as in consumer durables like sewing machines, washing machines and vending equipment the use of integrated circuits will grow. And the use of integrated circuits in such products also means the use of other components such as printed circuit boards, connector switches, displays and power

supplies.

These type of components are the bread and butter of the electronics components industry and competition is often fierce when selling into the consumer sector of the market because profit margins are very low on high volume mass produced pro-ducts such as connectors and switches. Often manufacturers seek to gain a substantial bold in the professional market where such margins are higher.

Passive components such as these are very important for the British component industry since it accounts for two thirds of the total component output in the UK and import penetration is lower for this sector of the industry than the components industry as a whole. British passive component manufac turers supply about 65 per cent of the UK market.

According to the Sector Working Party, the bnoyant demand for many domestically produced passive components has been nelped by the increasing adop-tion of the BS 9000 standard which was set by the British Standards Institute notably by the Ministry of Defence and the Post Office.

Also within Europe there is harmonising of standards so that components can be accepted throughout Europe without further testing or certification This system called CECC strongly resembled the BS 9000 and both have the aim of build-ing in quality by applying strict quality control procedures and disciplines to every aspec of the manufacture.

There are two committe

which oversee the interests of the European manufacturers: the electronics components in the Electronic Component Manufacturers Association and the in France accounts for 18 per cent of turnover. The television set is the single most important ciations of Manufacturers of Electronic Components. speaking, EECA deals with policy matters and is in contact with the EEC commission whilst CEMEC looks after technical matters affects

members and reports to EECA. CEMEC is not only involved with the setting of a single set of European standards but is also actively involved on the world wide International Electrochemical Commission Quality Assurance for electronic com-

Broadly

Both the setting of European and World standards pose thorny problems for manufacturers since each country, for its own protection of home markets seeks to impose one or several standards and each country has strong ideas about what type of standards should be set.

Last year, CEMEC met and discovered, that evidence had been given which showed that Electrotechnical Commission Assurance, which Quality old system, was against U.S. Anti-Trust laws.

This could lead to problems for European compani ing to export components under the system to the U.S.

European countries are ing to modernise manufacturing to improve their competitiv ness on a world-wide scaleespecially to bring down prices compared with the Japanese. This is particularly true of the French and British component makers.

The West European industries have a very arduous task since they have to cope with serious problems generated by the competitive industries in the developing and low-salary coun-tries all seeking to gain an entry into Europe for passive com-

Europe sees the development of common standards and the aim to make industries within individual member countries complementary rather than competitive as a way of allowing more opportunities internationally. However, the French in-dustry feels that these positive moves will be insufficient if partners over the world do not respect the rules of fair compe-

Another important sector of Last year, world production was about 30m units. Japan produce almost half the world's output in television picture tubes which has been of great concern to European manufac-

In Britain, there now remains only one television tube manu-facturer, Mullard, which is part of the Dutch Philips group. Its sales account for 20 per cent of the UK market. However, Mul-lard is also a large manufacturer of active components—the term for transistors and integrated circuits, since this is the largest growth area.

Supply

Throughout Europe, countries have been trying to ensure that they will have the ability to manufacture in large quantities the silicon chips they need. This is why Britain has encouraged the rules of the International joint ventures with U.S. companies such as that between GEC and the U.S. Fairchild excluded component manufac organisation. Also the National turers not participating in the Enterprise Board set up Inmos, with the intention of setting up manufacture of integrated circuits from scratch with a total investment of £50m.

In France, similar joint ventures have been undertaken for example with Motorola in the U.S. to work with a partly government owned company, called EFCIS. West German ncouragement of active com-onent manufacture has been amed mainly through Siemens hich has invested a great deal poney in developing experin the technology.

Electronics component manu facturers realise that they have a vital role to play in the electronics industry as a whole. From an insignificant level after World War Two, electronics in the western world has grown faster than any other sector and it is now a giant. By the end of 1978, annual production of electronic equipment and components reached some £60hn of which 12.8bn was com-ponents. It is a diverse industry and one in which a single strategy is difficult. However, it seems that countries within Europe are trying to work to-gether to improve their competitiveness before they are overtaken by other nations.



ITT believes that quality is **WE EAT_SLEEP** something built in, not bolted on, that quality AND D the specification exactly, however

demanding that specification may be. As a major supplier of high quality components to the electronics industry we already meet with wide approval.

A wide range of capacitors, film circuits and valves are evidence of our total commitment to components of assessed quality. More will follow as the BS9000/CECC approvals programme matures.

In addition, we have an extensive range of Post Office approved components, among them the unique components for submarine telephone repeaters which anticipated zerodefects programmes by many years. increasingly our products are specified for the new telephone systems, TXE4 and System X.

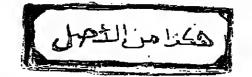
You will also find many ITT components with DEF-STAN approvals. Defence and military projects such as Clansman, Ptarmigan, Rapier and a host of other military projects. Our resources, too, have approval as well as our products.

But the real beneficiary of our massive investment in Quality is our customer; by our provision of utterly reliable components, his costs are reduced.

At ITT, quality is an obsession and approvals are our way of life; and we don't think our customers would want it to be otherwise.







Growing influence on industry

MICROPROCESSORS

times called the computer on a chip, has grabbed the limelight over the past two years in an extraordinary fashion. It has forced itself into the heart of yet ratified a second tranche of path Government and corrected. both Government and corporate. £25m which Inmos will need if strategies, stimulated anxious debates on employment and corporate it is to begin operations in the the bedrock of an industry whose growth rates continue to

Governments throughout Europe began to announce strategies on microelectronics last year: most contained cer-tain forms of aid (for research and development, and/or fnr the stimulation of applications) and most, too, set their plans in the context of a general connolngical change resulting from rapidly increasing automation of office and factory labour, now being played by infirma-tion. Of these strategies, the French Government'a Nora report was the most elegant.

All governments approve of the establishment of semiconductor facilities: the French Government has aided Thomson CSF in its efforts to link with the U.S. company, Motorola, while the Italian Government is preparing to subsidise the electronics industry to the tune of £600m during the next four

West Germany, the Government is to launch a twoyear £150m programme to develop very large scale integration products; in Japan, the Government promoted a number of microelectronic areas, especially VLSI which attracted a £130m subsidy.

In the U.S., there is little direct Government expenditure on industry: however, the amount spent on electronics through federal, and especially defence, expenditure is very high—expected to be around £10bn in 1979—and this gives microelectronic companies an ample home hase from which to operate. At the same time, defence and other programmes has not yet committed itself to hring with them research and development mnnies which have heen crucial in product develop-

cations programme. £70m to considering enlarging them. The cash to equip for VISI production, while the companies a microelectronics industry major exception is the innova-aupport scheme, and £25m to tive company, Intel, and it is THE MICROPROCESSOR, some the establishment of a new thought to he actively prospect-

Potential.

At company level, awareness of the potential applications of microprocessors bas varied extremely widely. In both the U.S. and Japan, the strength of semiconductor industries bas meant that they have been taken up much more readily than in Europe, as the accompanying tables on semicon-ductor use show graphically. In Europe, some companiesnaturally, the electronic com-panies in the van—have been aware of developments and in some cases actively pursuing them for decades; while others still appear neither to know nor care of their uses. A recent survey by the U.K. Government showed, for example, that 50 per and semiconductor technology: cent of UK companies continue to this end, massive research to ignore developments.

semiconductor companies: the only two companies having any significant effort being Philips of Holland and Siemens of West Germany. The former has acquired the U.S. company, Signetics, around fifth largest of the U.S. companies, and also manufactures chips in various locations in Europe. Siemens has a stake in the U.S. company Advanced Micrn Devices, and also manufactures on its own

The French companies Thomson-CSF, Matra and St. Gohaln are all in the process of linking Japanese, rather than U.S. comwith U.S. semiconductor houses in joint ventures, while in the UK, General Electric (GEC) is setting up a joint venture with Fairchild. Inmos, the State-

UK production. Almost all the major, U.S. companies-Texas Instruments, Motorola. National Semi-have been acquired by leading conductor, ITT, General Instru-corporations. This has been the administration committed some ments and (soon) Mostek have result of a two-way movement:

ing for sites.

Growth in Europe, though from a lower base, is forecast to be rather higher than in the U.S.: at the same time, the U.S. companies have realised that in order to avaid taniffs, they must locate within the EEC. It remains broadly true, however, that most of the original design work stays in the U.S., and that much European production is satellite.

Within the semiconductor industries, two potentially farreaching changes are now tak-ing place. First, the Japanese industry is serinusly rivalling that of the U.S .- to the alarm, it should be said, of the latter, which is alleging unfair practices and demanding U.S. Government action to keep the threat at bay. In large part, the emergence of the Japanese industry has been due to a decision taken by the Government and the major electronics corporations that it must switch much of its energy from consumer electronics to computer programmes have been initiated The European market is and the Japanese computer beavily dominated by the U.S. industry is now about to pose a large threat to IBM.

Thus, Japanese companies, such as Fujitsu, Hitachi, Mitsubishi and others, are to be found on the leading edge of semiconductor development, and are husy acquiring production facilities in the U.S. to take advantage of the boom in the market. These companies may be expected to be particularly active in the VLSI field, the dominant next stage of microprocessor development, and it is likely that industry standard chips will soon be made hy panies

The second is that semi-

conductor companies, once generally independent produc-tion houses, are now increasingly having to seek the shelter of large corporations because of their insatiable demands for capital. In the past few months, Mostek and Fairchild, both in different ways industry leaders,

THE SEMICONDUCTOR MARKET* WORLD PICTURE, 1980

	W. Europe	U.S.	Japan	Others	Total
pulation	290m	230m	120m		
NP, \$bn C market, \$m	2,800 2,960	2,600 4,660	1,100 2,980	900	11,500
of world	26	40	26	8	100
growth 1979-80	10	9	12	16	10.5
C per capita, \$	7.60	20.30	24.80		
of S/C per \$1,000 of GNP	1.10	1.80	2.70		

THE SEMICONDUCTOR MARKET* W. EUROPEAN PROFILE, 1980

Excluding systems, excluding eastern bloc.

	W. Germany	UK	France	North	South
Pepulation	60112	56m	54m	47m	173m
GNP, \$bn		380	550	500	720
S/C market, \$m		615	471	332	442
% of Europe	37	21	16	11	15
% growth 1979-80	. 8	7.5	11.5	8-5	12
S/C per capita, \$ \$ of S/C per \$1,000 of	18.30	11.00	8.70	7.10	2.69
GNP		1.60	6.90	0.60	0.60

growing" them from scratch.

Source: Marketing Research Department Motorola Europe, October, 1979. * Excinding systems. Excinding systems. John Lloyd Important aspect of marketing

BISTRIBUTOR NETWORKS

the companies have needed the

United Technologies (which acquired Mostek) and Schlumherger (which acquired Fairchild) both wanted their own

semiconductor production under

Chips are now the "fuel oil"

At the same time, the speed

of electronics, and large com-panies wish to secure their

of developments continue unabated and the market is fore-

cast to continue to grow, even

through the forthcoming reces-

increasingly pervasive, being taken up in every sort of equip-

ment which was previously

electro-mechanical. For Western

European countries, the lesson

is clear: the technology must be

adopted, either through acquisi-

tion of companies or through

Microprocessors are

their own wing.

supplies.

RISING COSTS involved in direct selling of electronics tor networks are destined to play an increasingly important part in the marketing system. There are now about 200 companies in the UK involved in

panies and their subsidiaries. These are Electrocomponents, possible.

Diploma, Farnell Electronics, 'Another reason is that there Unitech, and AB Electronics has been a large growth in Product Group. Twn other original equipment manufacture guickly.

Manufacturers are reluctant to bold stocks of components purchasing agents for a compunct because they lose value too pany and will hoy all the components that a particular custo-Product

are FTT Electronics Services and Jermyn Holdings. Each of these large distributors has manufacturing operations as

Since 1970 component distrihutors bave increased their components mean that distribu- share of direct sales from 5.1 per cent to 22.4 per cent. This gain is attributable to several factors.

First, development costs have risen a great deal, especially the distribution of electronics for integrated circuits. The components. Aggregate turn- components themselves are proover of distributors last year duced in high volume and sold was £150m, of which £85m is at low prices. To remain com-attributed to only five com-petitive manufacturers have to exploit as many markets as

major companies in this market by a number of small companies. Distributors are hetter placed to serve such a fragmented and diverse set of customers. In addition, electronics is heing used more and more in non-electronics-hased industries such as washing machines and machine tools. Again, these are so diverse that distributors can provide a better service to customers than the manufac-

> Finally new electronics commarket so quickly that the rate industry, some of which are of ohsolescence is high. The well respected, although huyers more sophisticated than their predecessors hut cost the same.

Distributors have been able mer requires. risky though it ia. It is not uncommon for distributors to have a quarter of sales tied up in stock at any one time, so they have to spend a lot of time on careful management of stock

The distributor network has become established in the UK, just as it bas in other Western European countries, the U.S. and, more recently, Japan. Distributors have a wide spread of customers, numbering tens or hundreds of thousands. They deal with several manufacturers and can even ont supply and demand fluctuations and achieve much lower stock to turnover ratios than is prudent for their customers or sup-

In Britain the origins of electronics components distribution industry cao be traced hack to the post-war revival of the elec-tronics industry. There were then only about a dozen companies whose business was the supply of valves and replacement parts for the radio indus-

By 1960 the number of distrihutors bad grown to 25, still mainly providing maintenance and repair. One company, Radiospares, now called RS Components, successfully spe-cialised in stocking a wide range of common components and providing rapid delivery. However, its dominant position was eroded by the mid-1960s when the number of distributors

doubled again to nearly 50.

The rapid growth in distribution was coupled with the increasing use of transistors and the need for reliable sources of supply. But with newer types of transistors rapidly supersed-ing old models many distributors were caught out hecause they had kept too big a stock of components which quickly hecame obsolete.

Some distributors bought heavy stocks of one or two types of transistors only to find they were unwanted. Those companies which had good stock control and protective agreements with manufacturers were able to survive in particular market sectors.

The large companies which dominate the market each have their particular speciality. Large distributors with a wide customer spread have been able to specialise in a component range or type of service without compromising the benefits of large-scale operation.
There are various types of

ponents are introduced to the distributors in the electronics components are usually still tend to regard the distribution industry with a certain amount of suspicion.

to fill this niche as stockholder, have very good contacts but service a few select customers, many of which are in original

equipment manufacture. It is becoming common practice, however, for distributors to franchise with one or several component mannfacturers. This started in the 1960s when manufacturers found that an locreasing proportion of sales were being taken up by distributors. But distributors were found to he fickle customers, changing their allegiance with suppliers whenever a new and better product arrived on the market. Coupled with this was the de-mand by equipment manufacturers for other services from the distributors, such as technical advice on component

suitability.
Distributors then began to ask for franchises which would enable them to provide technical assistance to customers. through the help of the mannfacturer, while they were also able to maintain higher stocks of a particular manufacturer's

Range

Initially manufacturers were unwilling to grant franchises to a distributor who bad agreements with their competitors but it is now common for a distributor to hold several franchises. This meant that be is not so dependent on one supplier and can offer customers a wider range.

Franchiaed distributors feel that they represent an important alice of the electronics components supply industry. They even have an organisation called the Association of Franchised Distributors of Electronic Com-ponents. AFDEC has only about 24 members but they represent some 60 per cent of sales hy distributors.

Already distributors have won considerable market away from in-house sales operations by manufacturers. Manufacturers find that it saves them time, effort and the expense of trying to win sales from a diverse set of companies. It leaves them to concentrate on large orders while distributors tackle the medium and small orders.

Forecasts are that the distrihutors share of the UK market will continue to grow from its level of 22.4 per cent in 1978 to 29 per cent in 1981. This will represent sales of £225m out of a total of £880m. The whole of the market for electronics components has been forecast tn have a fairly modest growth over that period, although the distribution industry will be in a strong position hecause of the growth in the electronics industry as a whole.

Elaine Williams

Mullard, badgers and cherry flans?

You might expect to find Mullard components in defence systems or television sets.

It may be more surprising to learn that Mullard image intensifiers designed to guide tanks at night are also enabling naturalists to observe nocturnal animals.



Or that technology originally developed by Mullard for defence is now controlling traffic and catching thieves.

And Mullard components in electronic information systems are helping to bring everything form stock market reports to cookery hints onto TV screens.

In night vision, in solid-state microwave, and in teletext and viewdata, Mullard are world leaders.

We are also the largest producers of electronic components in this country and, right across the board, industry comes to us for some of the most advanced components technology available anywhere, with assured quality and reliability.

We, in return, are only too happy to co-operate fully and dosely.



And that's a combined effort which must be fruitful.

See the Components of the Year on Stand no: 514 at Electronics '79, Olympia, London.



"COME AND SEE W

Milton Keynes is the big attraction for the electronics industry these days.

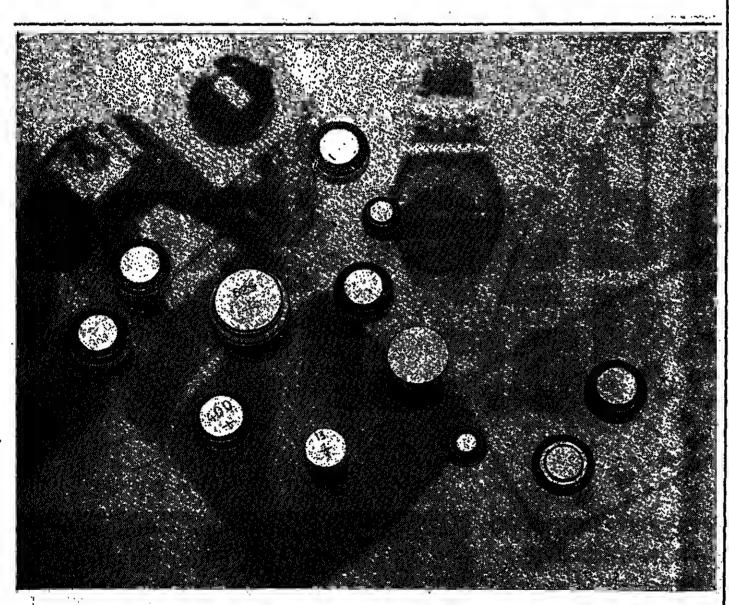
Meet, and talk to Alan Caunce, our electronics industry adviser, on the Milton Keynes Development Corporation stand at Olympia.

His job is to make life easier for any electronics company to relocate or expand in Milton Keynes.

He can help your next move be as painless and profitable as possible.

See us on Stand 702 in the Electronics '79 Exhibition Nov. 20th-Nov. 23rd, at Olympia.





Our Micro Power

As revolutionary developments take place, for example in the field of electronic microprocessors using silicon chips, a whole new generation of battery using devices, each with its own special portable energy requirement, is being produced.

The Berec Group, Europe's leader in portable energy, is already producing batteries to meet these requirements, and the advanced projects group is tasked to investigate applications and systems for the



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Important market in telecommunications

OPTOELECTRONICS

the only glamour components of the electronics world-components which rely on light for some aspect of their operation are growing in popularity as fast as microprocessors.

These components live in the world of optoelectronics and include such devices as semi-conductor lasers, light-emitting diodes used for calculator displays, and optical fibres. The largest market for these com-ponents is in telecommunications where there is a great amount of development work being carried out on the use of optic fibres tiny hair thin strands of glass, carrying light to replace conventional cop-per wires for transmitting speech, television pictures and computer data.

Most countries in the world are engaged on work of this kind and the National Economic Development Council's components Sector Working Party in the UK stated that this was potentially one of the most important areas of electronics. It made recommendations last year that Government support should be given to encourage British companies to develop practical systems. However, it is unlikely that any formal help will be given to this sector in the light of government cut-

occur until the late 1980s, taking according to market analysts industry Frost and Sullivan. Demand for

a staggering \$170m. Much of this demand is expected to come from the provision of wired homes services such as cable television, automatic read-

and Cabl 1 the UK, Pirelli in Italy, Tho... son CSF in France, Siemens in West Germany, and Corning Glass and ITT in the U.S., all have an interest in the telecommunications use of optic

Forecasts

Some forecasts estimate that this market will be worth \$120m and civilian use for data and by 1992, although it will only be worth \$32m in 1987. However, a system which used optic fibres needs other optoelectronic components as well. For example, either a tiny semiconductor laser or light emitting diode is needed at the transmitting end to generate the light over which the information is modulated.

At the receiving end, photo-diodes, which are sensitive to light, convert the light into an electric current which is then converted into speech or data. Semiconductor diode lasers which are tiny lasers made out widely used for the light-of a material called gallium emitting diodes displays which arsenide has a number of applications which lie outside the telecommunications field. For However, the real profits in example, ITT has projects which cut down the amount of power optic fibres are not expected to range from missile guidance, which is lost when the lasers measurements and photocopying

optic fibres is estimated to be Other applications include about \$11m worldwide which intruder and fire alarms, safety

will increase to \$60m by 1987 guards in machines, and in and then by 1992 will be worth weapon simulation and ranging systems, as well as use in point terminals registers).

There are different types of semiconductor laser diodes ing of electricity and other which are used for a variety of types of meters and, electronics applications. For example, III the General Electric Company, which when used in groups, British Insulated Calendar called multiple arrays, can procables and Cable at the IIE Company. has developed a laser which pro-These are used in ranging, proximity fusing and weapon simulation for lower cost mili-

> Another type of laser which produces high peak and mean power is used in free space optical communication links and night vision compatible infra red illuminators. Areas of applications include military

tary training.

The continuous wave lasers which can work at high frequencies in excess of 1,000 MHz while giving high power, can be used with optical fibres. This type of device forms part of the telecommunications links being evaluated by companies around the world.

Existing laser diodes produce light which is in the near infrared range of 800 to 910 nm This is the result of the use of the material called gallium arsenide. This material is are used for digital watches and calculators.

Developments are trying to are used with optical fibres. This eoables telecommunication links to be made longer without having to boost the signal strength at frequent

form of dc to dc converter, an

economically sensible feature

considering the cost of many processor chips.

for microprocessors are generally of the switched-mode type, and although they usually offer only three fairly inflexible

supply rails are, as with most

switched mode units, compara

Switched-mode supplies are also being developed for use in

electron beam welding, neon lasers and X-ray electronics, all

applications where their characterstically poor output regula-

tively cheap.

Centralised power supplies

undervoltage and

Advantages of switched-mode ideal supply where the need

supplies include freedom from is to power linear and digital

mechanical noise, approximately integrated circuits at levels of

twice the overall efficiency of 5V, 12V or 24V from a battery.

quarter of the weight, plus overcurrent protection - an

CONTINUED ON NEXT PAGE

one sixth the volume and a overvoltage,

savings in general cost and the

ability to operate (on standard mains) with a much smaller

reservoir capacitor, giving

Disadvantages of switched-mode operation include a ten-

dency to radiate high frequency interference and a compara-

tively poor output ripple performance, although careful design can minimise this.

This technique is being used

increasingly to supply systems in the "open frame" category

of microprocessor as well as in the versatile "powercard"

further savings.

intervals which cuts down the cost of installing such systems. Optoelectronic devices which emit light in the infra-red are

to be found in night vision cameras for security and military applications. Companies such as Thomson CSF in France manufacture cameras which can be used for high speed infra-red photography.

III has also been active in developments of this kind. For which emit infra-red radiation and the company dains that under typical low light level conditions, the radiation from these sources can improve the resolution of night vision sights

by 300 per cent.
ITT says that some of its equipment is suitable for observation and infra-red photo-Applications . expected to natural history and closed circuit television.

Such devices have a wide Another application for lasers is in audio and video discs. In these systems tiny light sources are needed so that the lasers replaces the conventional stylus. Light is aimed on to the revolving record disc on which the music is digitally recorded.

Quality.

The laser does not make physical contact as a diamond stylus would, so there is no disc wear, and, because of the optics, any dust, scratches or finger marks on the disc surface does not affect sound quality.

Lasers are also being used to read product bar codes those black and white stripes which are appearing on every supermarket item. The compac size of the laser diodes enables it to be used in light pens where across the bar code. Alternatively, the laser may be is mounted across a checkout a point to automatically read goods which are passed by it. In Europe, although the three main markets in military. industrial, and communications are of about equal value, each country is appearing to specialise. For example, France's major interest is be

guidance and proximity fusing. Germany is involved in all three except that its military market is most developed. However, it is also involved in fibre photocopier

the military market, for missile

Italy has taken a significant interest in communications and industrial markets the military and communica-tions sectors. The Netherlands, dominated by Philips, is lead-ing the industry sector with developments in optical and audio disc recording systems. Also it is a leader in pollution

Finally, Scandinavia's main developments have been in missile guidances and proximity fusing, although some advances

Elaine Williams

Demand for more versatility

POWER SUPPLIES

THE LAW of conservation of energy neatly reminds the engioeer of the limitations of his technical arena. If work is to be done, then no matter how carefully he arranges his machines or other devices, energy must be applied at some point if activity is to take place. How that energy is fed into the vast array of electronic devices now available is clearly a vital factor in the efficient running of any electrical or mechanical

cated end of the power supply scale a 1.5 volt cell (a "battery" is a collection of cells joined either in series or parallel) may ing and amplifying voltage for say, a capacitor microphone, at the other end of the scale a power supply for a relatively complex microprocessor system may require up to six independent supplies, some negative and some positive, with possibly a variable voltage facility as

Design

The central problems which the power supply designer has to meet are those of the safe extraction of power from, in most cases, the domestic mains electricity supply or the conversion of partable (battery) direct current power to a form which can be used in a versatile and efficient manner.

Transformers have for many years been the heart of the years been the heart of the linear (as opposed to switched-mode) power supply. Although not restricted to power supply applications, the transformer probably appears more in this type of circuit than any other, especially following the demise of thermsonic valves in radio receivers and audio amplifiers, receivers and sudio ampiniers, which needed coupling transformers to match valves to loudspeakers. The appeal of the principle involved is that electrical energy can be transferred from a high voltage source to that of a controlled alternating surposes. alternating current or direct current level (or levels) and into onantities.

ings are coupled electrically (magnetic flux) through an iron core, giving a large measure of safety to the user as there is no direct physical connection.
Within the last decade or so
other means of isolation have appeared, including the tech-nique of "opto-coupling," where a light beam is modulated and made to carry electrical energy. Switched-mode power supplies also use a transformer, but the circuit method used allows the transformer to be smaller. A fast-switching transistor (or two) "chops" the input, which may be either ac or dc (a linear supply can only function on ac). The transformed output is rectified and filtered and the

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Big improvements in design

PRINTED CIRCUIT **BOARDS**

THE PRINTED circuit board (PCB) bas superficially at least become the poor relation of the integrated circuit in recent years. The rapid miniaturisation of the latter, and its frequent price reductions, are factors with which the PCB could not compete on a similar scale. It is the chip that bas therefore dominated the beadlines.

Yet enormous improvements have also been made in the design and manufacture of PCBs, producing similar results increasing miniaturisation, greater reliability, and a much wider range of types of board, suitable for use in many more demanding environments. And it will be a long time before the PCB is made redundant in its role of connecting device

with the ontside world. The PCB market's bealth can be gauged from the minimum growth rate predicted for it over the next two years—15 per cent with many of the leading companies expecting to increase turnover by as much as 60 per cent. The total value of the British market is expected to reach £110m by 1982 compared with an estimated £90.5m now. according to a recent survey by BPA (Management Services) of Dorking. It predicts the two biggest areas of growth will be consumer, growing from £5.5m to £12m, and communications, excluding telecommunications, growing from £18.5m to £26m

The industry is dominated by small companies. Of the 600 or of design and production tech-so manufacturers in Britain, niques has demanded much only 40 have turnovers larger than £{m; ten each fall into the .fim-flm and fim-f2m categories, and about six bave turnovers above that level, mainly subsidiarles of electronic giants such as ICL, Marconi and Ples-

Innovation

Much of the technological inpovation in PCBS comes from he United States, particularly rom Photo Circuits, which pecialises in research and deelopment, preferring to leave groduction to others, to whom it deenses its developments. This plit betwen research and profuction is typical of the indesendent sector of the industry. Other work is carried ont prin-ipally by the world's leading Mr lectronics companies such as BM, Philips, NEC and Honeyvell, but much of this remains

The two most significant technological developments in the ast few years bave been miniaturisation of board components and the automation of design, and the former bas accelerated the development of the latter. Now, 50 times as many components can be put on an average complexity bas demanded antomatic computer routing sys-tems to keep the connection lengths to a minimum. This is one area where the PCB is considerably more advanced than the chip, since though the chip features much more data, the design involved is often much

simpler.

There are currently a few completely automatic design systems for PCBs available, but they do not yet have sufficient general application. Mr. Bob Hillier, of Racal, says: "The designer needs to tailor his own needs to his own systems and that makes it very difficult to automate the process. If you took boards of five years ago, we can now automate them, but we can now automate them, but we can't yet automate today's

Mr. Hillier sees another difference in the design of PCBs and integrated circuits in the constraints of the size of the housing units. "You can vary the chip size within limits to meet your requirements, but with PCBs that's much more difficult since you have to get them into racks of a certain

The miniaturisation of components bas led to the produc-tion of stable multi-layer boards, with four-layer boards already becoming very popular in the U.S. But because the printed circuit board is used as an interconnecting device, and because electrical engineers are always seeking to reduce the number of interconnected units in a system, the actual boards have not got smaller, Mr. Bill Miller, managing director of Prestwick Circuits, one of the leading independent PCB manufacturers, thinks they bave even increased in size.

The increasing sophistication higher capital investment. This poses a problem for many of the very small firms making PCEs, in a period when the cash for that investment is unlikely to be easily available.

Mr. Miller sees this as the pany's success in the next few years. He attributes Prestwick's own growth rate, and that of some of its competitors, to it.

"Production equipment is on average less than three years old, and to continue to make the necessary investments we bave to carry on growing at some-

Mr. Miller's message echoed by BPA's survey, which claims that under-capitalised companies have done badly in the last year, despite the buoyancy of the market. One of the technological

developments that will require this greater investment is the flexible PCB, already worth £3.7m according to BPA, and likely to reach £11m by 1982. The ability to bend PCBs bas widened their use, particularly board compared with ten years in aerospace, where space is at ago and, as with the cbip, the a premium. The cost is bigb,

MARKETS CAPTIVE MARKETS

The European market for thick film hybrids is likely to be one of the most significant areas affecting the printed circuit board industry in the next decade. Britain's smaller captive (that is, in-house) market is regarded as a disadvantage, since much of the technological innovation comes from the larger companies, producing in-house.

technological parallel development with great significance for the PCB is the thick film bybrid circuit, and to a lesser extent its companion the thin film circuit. These are circuits that are deposited by screen printing on to ceramic baseboards, and effectively form a bridge between the integrated circuit on one hand and the printed circuit board on the Thin film circuitry other. proved very difficult to produce in volume, although it gives great precision, but the thick film market is now put at between £30m and £40m, and is said to be growing at between 30 and 40 per cent a year. The telecommunications market is the major source of growth, with the military a strong second. In Europe, BPA estimates that the total market will be worth £320m by

The significance of the thick film circuit, apart from its role as chief competitor in certain single most important factor in areas, lies in the possibility of the industry, above any technological developments, and one which will determine a comdesirable to make thick film circuits which are compatible with PCBs. At the moment, the thick film circuit is simply added to the PCB, but there is a tendency to combine the versatility of sbaping of the PCB with the stability and reliability of the thick film

development of this would be to incorporate the third element of the triangle—the IC—as well, ing yet hut which Mr. Gurnet is convinced will occur soon.

The relationship between the chip and the PCB is seen by everyone to be complementary rather than conflicting. "The chip is too small to interfere with the buman being," Mr. Miller says. "You bave to put the chip on something and then connect it with the outside world and the PCB is a remarkably efficient way of doing that."

But be admits that there is a question mark. "In five years time the chip may have become so clever we wonder if the PCB we are making today will still be wanted."

That doubt centres on the dominant type of PCB, the glass-plated through-bole device, which accounts for about half the British market. The complexity which miniaturisation creates may make connection by pins impractical and other techniques will be evolved.

The capital investment which is so vital now is thus not simply case of putting money into specific production equipment. There is also the question: What sort of equipment?

David Boothroyd Electronic Times

CONTINUED FROM PREVIOUS PAGE

Whether conventional supplies or switched-mode supplies are used, there is often a need for regulation or stabilisation. This can easily be catered for switch-on—output voltage and by the inclusion of either a current flow begin to fall away monolithic or bybrid regulator, from the first instant of use. and these are now available in chip form providing current as high as 10 amps.

Another option open to the computer system or instrument user is the custom-built power supply unit (psu) in the form of a bench instrument which provides a range of stabilised output voltages, some variable, and often at high current. This type gives a considerable margin of flexibility in powering-np. although is on the wbole a more expensive approach than the integral supply unit.

New outlets are appearing for the psu manufacturer, one of the battery field is concentrated into them being the CAMAC digital control system. This is a deve
(Mallory) and silver oxide. Each lopment with special relevance to automatic test equipment and will probably make use of switched-mode units driving photomultiplier high voltage generators for breakdown test-ing of semiconductors and pas-

While improvements have been made in transformer design with the notable emerof the toroidal mains transformer, featuring a low profile, making it suitable for printed circuit board mounting and a virtually undetectable magnetic field, the most efficient method of power supply is that using solar cells. Although still expensive and at the moment limited to low current applications, this is probably the most

important energy crisis-related development of recent years.

Energy is, bowever, not directly available in the same way as from the mains. The Lucas method, for example, uses solar cells to charge lead-acid batteries, and although at the moment the stored energy is only being used to power radio communicationa circuits, there is no reason wby de to de converters should not be used to convert solar energy to supply

digital equipment as well. The most inefficient, but in some ways the most convenient. source of electrical energy is the chemical cell or battery of cells. The power from such batteries bas been roughly assessed at five to six times more expensive than the mains supply, but the range of uses to which chemical cells can be put makes them attractive to the consumer. The basic Leclanché (dry) cell, or

tion is not a critical factor. zinc/carbon type is still in wide use and remains the cheapest of the range but, as with all such cells, it provides full working potential only at the moment of

With the exception of leadacid batteries, the only fully rechargeable type is the nickel/ cadmium cell. Although it offers longer life and greater energy level than the basic dry cell, additional expense is involved in providing a charger, which must be a constant current unit. Furthermore, owing to the low they cannot be connected in parallel.

The only significant recent development in this field bas been the emergence of the lithium

form has an application related to circuit demands. Mercury cells are mainly used for long, slow, low-current drain, such as siow, low-current drain, such as in bearing aids; silver oxide where high levels of pulse activity are typical—digital watches, cameras, and calculators using liquid crystal displays, while alkaline cells and nickel/cadmium types are used in hearing suggests. in beavier current applications such as in torches, portable instruments, tools, inspection lamps and cassette recorders.

Dominant

Although there are plenty of cheap zinc/carbon cells available in the UK, some of them of dubious quality, the reliable product end of the market is still dominated by Every-Ready (Berec Gronp), Crompton Vidor and Mallory.

The main changes in the future are more likely to be in packaging of batteries rather than pure technical develop-ment, if the opinions of those in the trade are anything to go by. As MPU-based games and toys increase sales so small, boxed batteries about the same size as the well-known PP3 or PP6 will be made for them.

Batteries provide the purest form of dc current. The com-mitted "mains-only" user, bowever, would be justified in pointing out that this portable power is only obtained at a premium but as with most technical aids, it is its versatility in use which dictates the intrinsic value of any form of power supply.

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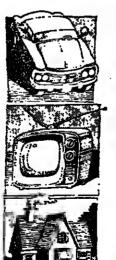
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Impressive sales increase

ACTIVE CIRCUITS are generally classified as linear or digital, although a third group is emerging which combine both linear and digital elements such as analogue to digital converters with the huge growth in micro-processor-based systems, mos (metal oscicle semiconductor) digital ics (integrated circuits) have become the largest group and these are currently divided equally into logic and memory types. Sales of mos devices have increased to the point where 50 per cent of all ics manufactured use this technology. Bipolar digital ics now account for around 30 per cent of sales, which leaves linear devices with only 20 per cent of the market.

While semiconductor tech-nology is advancing in all product areas, it has reached a gallop with digital mos and designers now expect a new generation of devices every two to three years. The graph shows past and predicted sales of dynamic rams (random access memory) since 1970. As can be seen, the industry has seen the wax or wane of four generations of memory within 10 years.

The 16K ram is now the most popular memory device in pro-duction and will bold that position for at least two more years.
As sales have not yet peaked there is a growing fear that demand will exceed production This feeling appears to be reinforced by Mostek, currently the world's largest producer of

increased by a huge 77.5 per important advantage of this rial) and which produces a cur-cent for the past 12 months. technique is the non-volatile rent proportional to tempera-Even more impressive is a 24 per cent increase in sales over the second quarter.

Intel, the world's largest manufacturer of mos parts, has introduced the 2118, a high performance 16K device which uses their hmos (high performance mos) technology to give high speed operation—100ns, and low power consumption—150 mW, from a single 5v

Although this device offers high performance and is easier to use than multiple supply types, the 2118 costs around \$10 compared with a mical price of \$5.5 for general-purpose versions. However, if the 16K demand cannot be met, any device that is available will sell despite its cost.

Significant

Another development from Intel, and far more significant, is its bubble memory package.
Although this technology is in its infancy, the manufacturer reckons that bubble memories will be suitable for 10 per cent of all microprocessor applications, which represents a large market. Because convectional dynamic or static memories use transistor elements to store digital information in the form of ones or zeros, capacity is limited by the number of transistors that can be pro-

duced on a silicon chip. Bubble memories, bowever, make use of magnetic hubbles in a thin ferromagnetic film, and by moving the bubbles they can be made to represent a one 16K rams, which has just or zero with a much greater reported that sales have storage density. Another

bytes and a few pundits have in mind the manufacturer is proclaimed that this development will make floppy and hard disc stores obselete within three or four years. It is a selection to the power and reliability of electronic components in the co or four years. Intel prefers to adopt a more conservative approach. Today, one bubble memory plus a set of chips to memory plus a set of chips to industry, a great deal of drive and control the device is development is taking place in priced at ground £1,200 whereas America and West Germany. priced at around £1,200 whereas a 2M bit (twice the storage) floppy disc drive and controller can be purchased for as little as £500. With hard discs the cost per hit is substantially lower. Pertec recently introduced an eight-inch Winchester based hard disc store which is priced at around £1000 and accounts.

dates 20M bytes. Although all disc drives can suffer from mechanical problems, it will be at least five years before bubble memories begin to compete seriously. For this reason they are likely to be used initially in applications where space is limited or portability is important.

at around £1,000 and accommo-

Although the memory men are enjoying an avaricious mar-ket, other manufacturers are also reporting increased sales.

Analog Inc., whose sales for the last year reached the magic \$100m mark is planning for a 30 per cent growth rate next year. One-third of these sales were for monolithic and hybrid digital to analogue and a to d converters. Again, the microprocessor boom has significantly in-creased sales of devices which convert analogue information from, for example, a flow meter in a petrol pump to an 8, 10 or 12 bit word which a micropro-cessor can handle. When the information is fed out it can go through the reverse process, d

ment, etc. Analog Devices, a subsidiary company, recently amounced the industry's first 12 bit 5MHz a to d converter which is intended for applications such as radar digitising, digital communications or real-time spectrum analyses. Although the company feels that this is a breakthrough in high-speed conversion, it intends to improve accuracy to 14 or 16 bits during

Another subsidiary specialising in video converters is currently producing an 8-bit 20MHz to d circuit and is developing a 10-bit 30 MHz version.

As well as converters, Analog Inc. has several i e production troduced a new temperature transducer i c that uses the band gap principle (a parameter natural to semiconductor mate-

storage—if the power supply to ture. As the most common the device fails, information measurement made is that for within the memory is not lost temperature, and a vast amount as is the case with normal types. of energy is wasted in the form Intel's first commercially of heat, the potential of this available bubble memory is a \$1.50 replacement for the man-IM bit device organised as 128K complex is enormous. With this

> ity of electronic components has not been exploited to any great extent in the British automotive RCA is very active in this merket and is currently offering custom designed large scale inte-

mentary mos technology which provides very low power con-sumption and high noise immunity, both of which are important features for autome-tive use. With the new exhaust emission control regulations in America and a general cam paign to save energy, much more interest in electronic control has arisen and RCA a now offering a computerised Isi design facility which can reduce the turn-around time to .24

Exports

Although many industrial markets show no signs of recession at present, several component manufacturers are not promoting their consumer products in anticipation of a slump. Plessey, however, which is currently boasting exports totalling 55 per cent of all sales and has had a 35 per cent annual growth rate for the past six years, is opposing this trend and investing most of its development funds on consumer television and telecommunications. Plessey to a, to drive a meter movemanufactures a complete range of linear ics for pal colour television receivers and other consumer ics for touch control and infra-red ar ultrasonic remote control. A recent spinoff from these devices has been a simplified remote control system for the toy market. These ics were launched in April this year and sales have

already topped im. Another interesting linear product is a zero-crossing power control circuit which has a temperature sensor. This device is almed at the hair-drier market where there is a possi bility of accidental injury, or fire from overheating. The circuit operates by sensing the tem-perature of reflected air and controls the accordingly.

Wireless World

Expanding transducer market

INTERFACE DEVICES

BROADLY DEFINED, a transducer is a device which turns a signal from the outside world into an electrical signal. Any form of stimulus is viable, and there are many ways in which the output can be used.

It is probably better to divida the classes of transducers according to how their output is used, rather than what they measure, since the same sensing device can often measure difdepending upon the way the information provided by it is

Traditionally transducers, using the term very broadly to electro - mechanical devices, have been used in the control of processing and manufacturing variables. There are very few parameters which the process angineer has to nor-mally concern himself and of these heat is far and away the most commonly measured. Other useful variables to measure include flow and pressure

or force. Because traditional methods have been so firmly entrenched in the area of process control, it has seemed that, as the electronics revolution has swept through industrial and consumer goods, this area has been left far behind. That may be so, but it is because the devices which bave always been used were reliable and reasonably accurate, and it was futile to concentrate upon it when other reas were mora in need of

This will not continue to be the case. Bestobell, which claims to be the first to have intro-duced the flowmeter (a device which measures liquid flew) into England from the U.S., are now tronics, the picture is very looking at what they can do different. The field of fibre with the information that a optics promises to be the most

to be changed into more useful form-for example, rate of flow into rate of change of flow.

In cases like these, electronics hardware can be invaluable for providing information at the site of the reading. A microprocessor can work ont all the variations of the basic reading and supply an answer far more quickly than old systems. We can expect to see the process control market jumping quite heavily upon the microprocessor ba

This will not affect the pri mary sensing device. There is has been no revolution in this area, although innovations with semi-conductors have been tried A few years ago a strain gauge con was first marketed. Unfor-tunately, this introduced more problems than it solved because semi-conducting materials are thermally unstable.

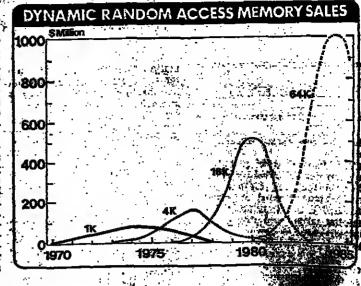
Ona of the biggest facing the engineer designing or using transducers is that he able without any other variable in the process affecting his measurement.

This can cause headache specially when a process is taking place over a large temperature range, as heat naturally effects volume and therefore pressure, density and therefore flow.

This is another reason why the transducers used at present are going to be dislodged from their market stronghold only with great difficulty. They have been developed over the years to such a pitch that they are now about as independent of other variables as it is possibla to make them. devices will have to be not as good, but better to justify

replacing the old ones. In the area of hard alecflowmeter provides. It is chan-nelled away to the control room tronic transducers in the future.

CONTINUED ON NEXT PAGE



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PASSIVE COMPONENTS

ALTHOUGH SOME aspects of manufacturing proces dogged by massive inertia characterised by free-wheeling recent gloomy remarks emanating from the CBI concerning agging order books in British industry do not seem to apply to the passive components.

Reference to the "passive components industry" repreents a somewhat artificial disinction, due to the fact that nost of the great combines now nvolved in manufacturing active devices, display boards, loppy discs and other items of lamorous microprocessor parahernalia, are also the main ources of passives.

Indeed, GEC, ITT and the hilips group are all heavily ommitted to the concept of make and market" right arough the process, from for-tulation of materials to tightenng nuts and bolts or joining ssimilar lumps of electrical aterial together.

Despite forecasts of doom ent, attendant upon the posively muscular development of nip and hybrid technology as fundamental of modern ethod, embracing several techiques of modular fabrication, traditional discrete com-

ment market remains healthy. The new developments in brication, rather than killing L "steam radio" passives, are iding their own stylised marits, where demands of mountspace make hybrid circuits ritable answers to pressing

In the domestic market, brid microcircuits are taking er car radio and cassette elec-

tronics (such as pacemakers) and look certain to change forever professional areas such as radar, pmr (private mobile radio), state communications and satellite/missile electronics.

However, the complete range of passives, which may be loosely defined as circuit components whose working states are not radically altered by the application of electrical energy and includes switches, connectors, lamps, fuses, cables, and so on, as well as the perennial resistor and capacitor, remains the staple building protein of most equipment.

Individual components are essential to the DIY, electronic aervicing (including television servicing) and enthusiast audio businesses, where stocks ef robust single items, immediately off-the-shelf, are required. Modules are, of course, also available in the

Application

New limbs of the industry are forming, with "special applications" components begin-ning to appear. These are extended performance (and or the passive components ele- more expensive) passives for use in unusual or critical electrical environments such as extremes of temperature or on vehicles where there is a continuous high level of vibration, moisture or dust.

One such item is ITT's KS10A aluminium electrolytic capacitor, which offers a capacitance range of 68 to 330,000 MFD, working voltage range 6.3V to 450V (dc) and a temperature range of -40 to +85 degrees C.

Previously, the upper tem-perature limit, relative to unfavourable output ripple, was about 65 degrees C. qualities make it suitable for applications such as computer

power supplies or in switched than usual tolerance and longer tion systems. Viewdata, Telemode supplies. Such hefty life. text and Antiope, are productional tolerance would be very difficult to match in a tiny networks about the bonding of and manufacturing areas, with mode supplies. Such hefty life. characteristics would be very Si difficult to match in a tiny ceramic chip capacitor.

This "horses for courses" approach is supplemented by one door opening as another closes, particularly in view of the continuing use and development of switched-mode power supplies themselves. The circuit technique is a very useful one, offering efficiencies of about 85 per cent, compared with linear supplies operating at about 50 per cent. Unfortunately, as with most circuits using s.c.rs or triacs, a good deal of radio frequency interference is generated. Developments in high voltage v.f.e.ts, as well as

offering the possibility of even more efficient switched-mode supplies, also offer the dubious advantage of enlarged output powers for these unofficial transmitters." Passive components now enter the picture in the form of LC mains filters.

The implementation of BS800 (which has been lounging around in a diffident way for several years)-it became law April this year—opens another door to passive com-ponents in this filter configura-

The passive version gains on the cost front when compared with active band-stop filters. This particular British standard places a legal limit on the r.f.i. (radio frequency interference) which any piece of electrical equipment may emit. Whether the market for filters will be dramatically affected is debatable, but manufacturers can now make " clean environment capital out of the inclusion of effective filters in competition with those who are prepared to risk the legal consequences of distribution without adequate

One point worth rememberthat in many areas of component production the new materials, such as condoctive epoxies, are being used for parallel passive and active component manufacture thin film capacitors bave been in production since the early 1960s! There is certainly nothing

mutually exclusive about the techniques involved in thick film processes and those used to make conventional passives. In the resistor slot, the connections between the two methods are clearly seen where,

for example, precision potentiometers using conductive plastic track are being produced. These are particularly suitable for control circuits in automation where developments have forced bring about forther change, the creation of robust conventional-form passives with wider gains. The new data acquisi-

component manufacture.

scene is now shifting to that of gathering. automatic insertion methods, as other components, are fed by

constraints. this shift are, for manufacturers on volume production and sales of, say, axial lead devices (wire-twenty-way connector for data ended components such as con-acquisition services. ventional wire-wound resistors ticular new form, that this could lead to large orders, especially "System X" in the offing.

Requirements

On the other hand, although axial lead components would be suitable for cable circuits, the contractors may well decide on radial components (pcb mounting types, for example) based on their superior suitability in the frequency-critical areas of signal processing. The same points could apply to optical fibre and microwave signal processing, although one certain market bas opened, for dil packaged components, i.e., the computer industry, where there some fairly primitive ching) requirements (switching) coupled with limited space.

modular construction forging ahead, the component count on a single-board colour tv chassis falls pretty dramatically. Despite this trend, it will be a very loog time before such items as c.r.t. base connectors, coil formers and especially befty wire-wound resistors (load dissipation io r.g.h. output stages) are rendered redundant!

At another level, innovations in data processing

networks ahow the bonding of and manufacturing areas, with necessity and method in passive other developments such as omponent manufacture.

flat-screen television on the
The key to the future of the horizon. Spiralling costs of passive market is, like tha petrol must eventually have an survival of any species of effect in making television mammal, adaptability, in this games and data services that case geared to the changing much more attractive to the demands of society and harassed worker or manager, industry. Until the early 60s, who may prefer to remain at the industry was mainly linked home than venture expensively to methods of hand-building of equipment and circuits, but the entertainment or information-

Although most of these de where conventional wire-ended velopments will mean more capacitors and resistors, as well markets for microcircuits, linking processes will still require cables and connectors, and machine automatically into cables and connectors, and circuit boards. This clearly where conventional forms disinvolves the re-figging of appear, manufacturers will shapes, sizes and end reorganise to produce optical shapes, sizes and end reorganise to produce optical connections, to account for fibres and optical fibre connectmechanical and ergonomic tors—adaptation for efficiency. The humble traditional connec-The main problems related to tor can still make headlines. however, as in France, where distributors those of it is now a legal requirement options; whether to concentrate for all exported television receivers to he fitted with a

Looking to the short-term which lay flat on the mounting future for passives in relation to hoard) on the assumption that the market leaders, the figures if the Post Office chooses a pareven after the influence of inflation. ITT, which has a 20 per cent share of the (all components) market, expects a growth rate of at least 4 per cent on passives in the coming year. Mullard (Philips group) are showing typically night lips, but admit to selling "a million of each (capacitors and resistors) a day," and with a turnover on all components of £200m a year, the total pickings seem rich enough to keep them

The fact remains that the great mass of passive components are a perenoial occessity—they may well take on new forms and be put to new tasks, but connectors, switches, circuit boards, enamelled copper wire, magnet pole pieces (think of your windscreen wiper motor) and a host of other hardware items—the nuts Another problem is that, with and holts around the electrons -aren't about to fade away,

Ted Parratt

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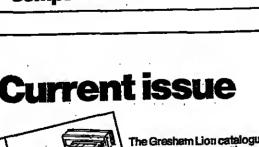
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Transducer market

CONTINUED FROM PREVIOUS PAGE

pulses of light and transmitted down a fibre optics cable the electronics at the other end to fore, the position of the discs, turn this light into electrical In effect, angular displacement impulses will he in great is being measured, using a light

Photosensitive electronic components have been known and used for many years. Very simply they use the fact that when natural light is shone on a transistor, or diode of a certain type, it switches it on. This makes it most suited where digital (on-off) information is concerned, because the signal It provides can be used with almost no other electronics except those needed to "cleao up the signal—that is, to sharpen up the pulses.

It is here also that trans-

ducers begin to merge into other more futuristic applications. The more sophisticated a light - detecting transducer hecomes, the less of a trans-ducer it actually is—in fact,

when it can he used to detect shadows or "edges" between light and dark areas, it hegins to become what is, in effect, a

The future of the light trans-ducer is stunning in its pos-sibilities. They are in a primitive form at the moment and it is interesting to observe the Process of evolution that such devices have undergone. Like the most simple cells, the first transducers reacted only to strong and hasic environmental changes such as light, heat and chemicals. Now, thanks to greater information processingpower in the form of the micro-processor and more sophisticated sensory techniques, aimple "eyes" have been developed. (This has to be techniques, qualified by saying that the most promising pattern-recogni-tion techniques do not emulate eyes at all, hot use holograms).

The fact that one form of transducer can measure a different parameter is illustrated hy a device known as a shaft encoder. Basically this consists of a disc divided into segments and concentric circles. Each segment bas a unique code painted on to it, in the form of transparent and opaque areas.

Obviously, if in the future If light is then shone through information is to be turned into this disc, photo-electric devices on the other side of the disc can detect the code and, there sensitive device.

In recent years, one of the hest candidates for the higgest expanding transducer market must be medical electronics. Figures are not available, but this is borne out by the fact that Hewlett Packard, one of the most important companies in the electronics market, have stopped manufacturing industrial transducers and now only produce those for use in medicine. It is a skilled field. Often the equipment is looking for minute changes of variables, therefore sensitivity accuracy are vital. Another factor that

transducer designer rarely has to consider is how the taking of measurements will affect the subject. In medical applicatioos, incorrect design can destroy the cells that are being monitored.

Measurements of pressure (for example, arterial and venous blood pressures and spinal pressure, and respiratory flow are typical applications). Pressure is measured using a diaphragm technique, the latest innovation being a quartz diaphragm.

The respiratory flow systems measure air flow by differential pressure across a resistance. They hasically measure rate and gas cootent of the patient's The most advanced tech-

niques are applied to medical applications because it is such a demanding field. Fibre optics is also demanding-and perhaps commands-

more attention and finance at the moment because it is an industrial advance. If the predictions are right that the fibre optics market will finally take off in the next year or two, then, without doubt, the largest single use of electronic

transducers will be at the fibre/ receiver interface of the fibre

optics link.

Philip Dwyer Electronic Times

There is already a thriving electronics industry in Strathdyde. Many international companies have established large plants in the region as a base for their European operations. Firms like IBM, Honeywell, Digital, National Semiconductor and Motorola.

The attractions for these companies include good labour relations and high productivity records. The region has a clean atmosphere and chemically stable freshwater supplies ideally suited to the manufacture of silicon micro-processor chips. There is also an ample pool of high quality and adaptable labour throughout the region, and several institutions within the central belt of Scotland with international reputations for research and development work in micro-electronics engineering. There are two international airports linking Strathclyde with the rest of Europe and the USA. The region has excellent rail and motorway connections to the UK network.

Financial incentives are good too. Strathclyde's special development area status entitles inclustry to maximum UK. Government assistance, and there are many excellent factories

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line. The robots are driven by servo systems and these are, in turn, controlled by power semiconductors which provide fast, reliable and silent operation at a fraction of the cost of their electromechanical predecessors. The enormous growth in com-puter systems has therefore caused a growth in the semitial of the microprocessor, it is conductor power control busi-

POWER DEVICES

WITH THE current simul-taneous enthusiasm and scepti-

cism on both sides of industry

when contemplating the poten-

not surprising that other areas of electronics, in particular

power, do not enjoy the same publicity as the ubiquitons sili-

tured and therefore benefit

applications where a micropro-

cessor forms the brain of 2 system, this powerful device is

helpless without the brawn of

power devices.

A well-known example of this

is the Fiat car factory which uses computer-controlled robots

in a fully automated production

For a.c. power control, the most common component is the con chip.

Despite their poor Press record, power devices account for approximately 12 per cent of all semi-oductors manufactures themselves. thyristor (a generic term for all four-layer switching devices). This component brought about a revolution in domestic power control with the advent of phase control light dimmers and from a healthy research and development effort. It is inter-esting to note that in many motor speed regulators in washing machines, for example.

In industrial power control systems . the silicon-controlled rectifier (s.c.r.) reigns supreme This device only conducts cur-rent in one direction and, once triggered, can only be turned off by removing the current through the device. With alternating current, a s.c.r. turns off automatically at the zero crossing point; so, using a separate device for each half of the a.c. waveform, accurate control can be obtained with few com-

Unfortunately, not all of the parameters of a s.c.r. can be optimised at the same time. When designing a device for high current capability it is important to have a large conduction area; on the other hand, if fast switching is necessary, a more complex gate design must be used which effectively reduces the conduction area.

As high current and fast switching are not compatible, s.c.rs are now designed for par-ticular applications so that the important parameters can be optimised. Some large devices now in production use a 63mm silicon pellet and will switch 1500A, 3600V at 400Hz.



When fast switching is essential, current capacity is sacrificed by using a distributed gate or interdigitated gate structure. Devices of this type can now bandle 2000V and operate at

Another thyristor known as the triac acts as two s.c.rs in inverse parallel to provide conduction in both directions. This device is generally reserved for a.c. control circuits which handle less than 2kW.

Because a single triac and about six other components can provide full wave control it is ideal for domestic use and, as already mentioned, domestic products such as light dimmers and electric drills already make use of this device. As the triac conducts current during both half cycles of the waveform, beat dissipation is a greater problem than with the s.c.r. For this reason two s.c.rs are preferred in high current application.

Nevertheless, because of the simple drive circuit requirement for a triac this device is still very popular with designers. An interesting variation is a device called the quadrac which combines a triac and a trigger diode to simplify the drive requirements still further.

Conventional thyristors rely on commutation to turn them off, and they are therefore not suitable for direct current applications. This fundamental characteristic has led to the development of a gate turn-off s.c.r. for DC control. This is also a four-layer device but, unlike a conventional s.c.r., conduction can be stopped by appli-cation of a negative gate pulse.

RCA have introduced a range of devices suitable for antomotive use which can switch tens of amps at several hundred Although these specialised

thyristors can be used for DC

control, some manufacturers have felt that improving conven-

tional power transistors is a

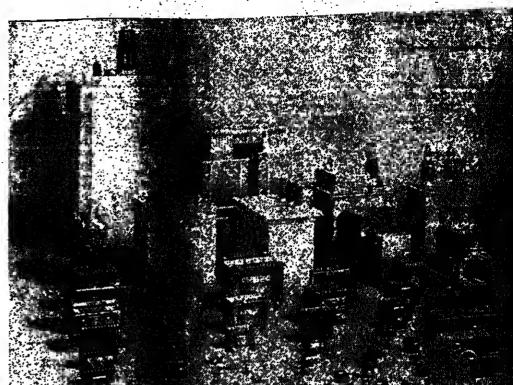
better solution because they are linear devices that can be turned on and off by control of the base current. Early power transistors were made using a simple process called single diffusion. This produces a rugged but low speed device with a maximum voltage rating of around 160V which

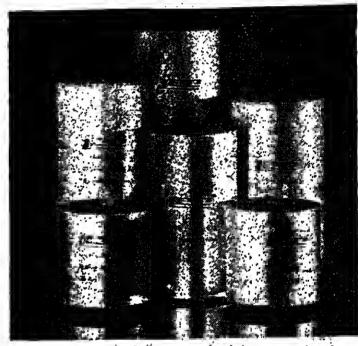
restricts their use to areas such as andio amplification and linear power supplies. Some recent devices, however, are constructed using a more advanced triple diffusion process. These transistors have a greatly improved voltage and current capability combined with high speed although they

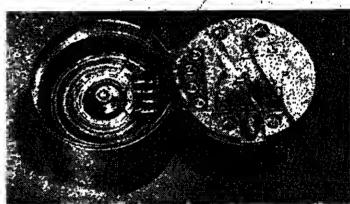
are not as rugged as singldiffused types. Westinghouse Brake and Signal Company are offering will switch 120A at 550V and

triple diffused transistors that can directly control a singlephase mains supply. A 750V version is also under development for direct control of threephase supplies.

Because bipolar transistors hyristors they are highly suit. able for use in switched-mode power supplies. As sales of these high efficiency supplies increase, so does the market for switching transistors and as a result several manufacturere







As with all semiconductors. certain parameters can be optimised by sacrificing others. One problem with power transistor design is current gain and, in general, as the power output capability increases so the gain

Switch

Toshiba have attempted to overcome this problem by combining two transistors in a monolithic structure. This prodness a power Darkington configuration which can switch several hundred amps at several hundred volts and still provide high gain. Switching speed is not as fast as a triple diffused transistor, but the power Danl-ington is still much faster than thyristor. In Japan, such devices have been used in bridge circuits for controlling.

high power traction motors.

Another class of transistor is the field effect device. Until recently f.e.as were only available for small signal use but, because they offer several important advantages over bipolar types, several manufacturers have attacked the problems of producing high power forms.

Most of the devices now in production are toosely called "V-f.e.ts". This term describes either a vertical current flow. through the device or a physical V-shaped groove for the gate of the f.e.t.

m.o.s. power f.e.ts which ha a vertical current flow but no groove and these devices offer ratings up to 200 V at 8-A. However, due to a large chip size, their useful bandwidth is limited to around 1MHz, and

use to audio power amphifiers. Siliconix has also produced a range of V m.o.s. devices which have a vertical current flow and a groove structure. This range generally offers lower power capability but has a much higher (upper kmit) frequency response. A typical device can switch 1A in four nanoseconds and is therefore very suitable for r.f. amplification.

this has so far restricted their

Although power f.e.ts cannot compete with bipolar transistors at high power levels at present they do offer several advantages high imput impedance, greater inearity, fast switching and a negative temperature coefficient - in low to medium - power applications.

As with most power devices, improvements are continually being made in voltage/current ratings and speed, but cost appears to be the main draw back at the moment. No doubt power fex technology follow the normal cost and learning curves and these devices will eventually replace bipolar transistors in many

Despite the glamorous" image power components, strong research effor has yielded severa significant develop ments. Examples in clude power trans

formers (above) by Thompson-CSF; left a new film capacitor; and below. YIG-tuned transistor oscillators

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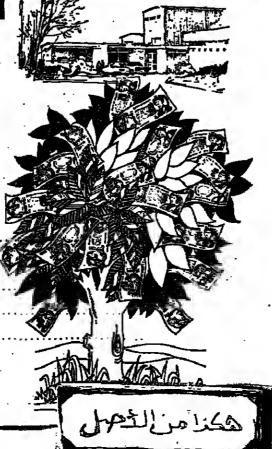
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The Incredible Lone Ranger

Dr. Henry Kissinger was plucked from the comparative obacurity of an academic career at Harvard to hecoma President Richard Nixon's special adviser on national security at the White House. Within a couple of years he had taken complete control of the formulation and implementation of nine-tenths of America's foreign policy, and by the end of Mr. Nixon's first term he was well on the way to becoming, if he had not already become, the most internationally celebrated American. Ten months after Nixon's reelection, Dr. Kissinger further consolidated his position by moving to the State Department, where be stayed until the inauguration of President

The first volume of bis memoirs, The White House Years,* appears today; and if Dr. Kissinger is baving rather more difficulty in drafting the second volume, as James Reston has reported, we should not be surprized. For while the first Nixon term was marked by three major turning points in President Allende in Chile, or American foreign policy—the remains silent, such as the establishment of relations with China, the signature of the first the Communist Party in Italy. Strategic Arms Limitation But it is undeniable that Dr. Treaty with the Soviet Union, Kissinger took maximum and the virtual conclusion of a advantage of Nixon's accrecy the Watergate vortex. Already in this first volume, Dr. Kissinger has difficulty in dealing with the Watergate-style activities that flourished so naturally in the Nixon White House. In the case of the wire-taps which were placed, with his know-ledge, on members of bis own staff, be represents himself was able to set up a parallel and as the gullible and iunocent secret foreign policy apparatus,

Kissinger's purpose in writing cracy. On several occasions in equipped to bandle a simple it tions stretching far beyond the ainger recognises that there is, the problem, or had always been ing the hatred between the his book seems to be to restore the book, be expresses regret delicate errand like his secret technicalities. This is not the in the medium term, a diffuse too busy adjusting lists of North and the South Vietare reputation which has lost for having gone so far in this trip to Peking, and clearly be moment to attempt yet another form of linkage: if the Russians ICBMs or SLBMs, or catching namese. He claims to believe most of its lustre with the direction; with hindsight be revelled in all the mechanics. assessment of the merits and push their luck too far too long, planes. That be was busy is not that the agreement preserved

everything to those character defects in Mr. Nixon which led inexorably to the final Water-gate denouement. He would have got nowhere, of course, if Mr. Nixon had not also been a man with a strong, laudable, and in many ways well-directed ambition to become a successful international statesman.

But Dr. Kissinger would also have got nowhere if President Nixon had not been neurotically suspicious and secretive, surrounding himself with cronies, unable to deal publicly and directly with his senior cabinet members, always on the aearch for devious ways of get-ting his policies implemented. To judge from what he says in this volume. Dr. Kissinger played no direct part in the long, slow Nixon retreat before the Walergate investigations.

Allende

On other issues, he tells less than the whole story, such as the covert subversion against clandestine operations aimed at "peace" agreement in Vietnam and suspiniousness in order to—the second was engulfed in build np his own role in the foreign policy field.

In this he was brilliantly successful. I am not being ironic if I say that Kissinger's of bureaucratic intrigue that he was able to set up a parallel and and in the process to exclude, neutralise and bambeozle the Apart from the income, Dr. official foreign policy bureau. Kissinger was perfectly Kissinger's purpose in writing cracy. On several occasions in equipped to bandle a simple if

Department as an ally rather than as a rival. Yet as a text hook account of how to outwit the entrenched bureaucracies, it makes fascinating and impressive reading.

By the same token, he also aheds a fascinating light on the problems of working with a man as unstable and unpredictable as Mr. Nixon. The two men did not have an easy aocial rela-tionship, but if Mr. Nixon does not appear any more likeable than he had previously seemed, he certainly comes across as a sadder, perhaps even a more tragic, figure than I would have expected.

I assume that Kissinger's main purpose in writing his memoirs is to vindicate his "?putation as a foreign policy analyst and as a foreign policy maker. Yet the paradox is that it is in this respect—what he did with his power as National Security Adviser, as opposed to the way he gradually built his power hase that I find his record least impressive.

In the nature of things, a tiny. secret foreign policy group is well adapted to do certain types of things, but not at all adapted to do others which, in the panoply of foreign policy requirements of a country like America, may be just as important. For one thing, it excludes by definition the expertise of most of the people who bave most knowledge and experience of particular countries or issues: for another, it can only handle a few most impressive single achieve— issues at any one time, and ment was to have so thoroughly therefore it tends to concentrate and so quickly mastered the art on the spectacular abowpieces.

The mechanics

Like the Lone Ranger, with whom he compares himself, Dr.

tracts with China, if indeed in-directness was so essential. Still, it was a good and important move, and it was handled with great skill, if one excludes Dr. Kissinger's leaving bis shirts behind in Islamabad.

IN THE closing weeks of 1968, passing years. Yet the irony is wishes be had treated Mr. In retrospect, I find it difficult drawbacks of the first SALT they will provoke distrust in in doubt, of coursa: a man gats America's credibility, and argues Dr. Henry Kissinger was that his meteoric career owed William Rogers at the State to see why Mr. Nixon insisted agreement, signed by President the U.S., and precipitate an to be very busy if be rides into that even de Gaulle took four plucked from the companying and precipitate and to be very busy if be rides into that even de Gaulle took four plucked from the companying and precipitate and to be very busy if be rides into that even de Gaulle took four plucked from the companying and precipitate and to be very busy if be rides into that even de Gaulle took four plucked from the companying and precipitate and to be very busy if be rides into that even de Gaulle took four plucked from the companying and precipitate and to be very busy if be rides into that even de Gaulle took four plucked from the company of American defence town. on such elaborate deceptions; an Nixin in Moscow in 1972, but jocresse of American defance town and undertakes to outAmerican approach could only a number of points are obvious, spending. But to judge from smart an entire bureaucracy, have been welcome in Peking. Dr. Rissioger may or may not his book, he still does not seem But the single subject which have sensible thoughts on to see that precise and kept him husiest was inevitably, have been welcome in Peking. Dr. Kissioger may or may not and Pakistan was only one of have sensible thoughts on a number of countries with connuclear strategy, but he is not a weapons expert and he inevitably created lasting confusion in going behind the hacks of his missile specialists. subjects for a negotiating Secondly, while it may be in agenda. The U.S. could have toxicating to trade numbers of gained that kind of linkage out toxicating to trade numbers of missiles in secret deals with the Back-channel foreign policy Soviet Amhassador in making can also he quite effect Washington, while the bureau-

THE KISSINGER MEMOIRS DISCUSSED BY IAN DAVIDSON

tive in dealing with a short-term crafts are floundering dent of Dawson Field in Jordan, for. to which Palestinian guerrillas hijacked a number of airliners with their passengers. The slage looked sel for a major flareup in the Middle East between the Palestinians; the Jordanians, the Syrians and the Iragis, plus possibly the Israalis. By moving ships around the Mediterranean, and hy putting out diplomatic aignals to Moscow, the U.S. played what may bave been a crucial role in preventing an explosion. But however that may be, it was obviously very exciting for all those involved in Washington, and Kissinger tells the story excitingly and in pitiless detail.

Where . a parallel foreign policy group is much less well placed, is in a prolonged and detailed negotiation on a highly technical subject with ramifica-tions stretching far beyond the technicalities. This is not the in the medium term, a diffuse

narrowly circumscribed crisis. Helsinki, that is surely not what One of these was the 1970 inci- a National Security Adviser is

According to bis own account, Dr. Kissinger repeatedy stressed the need for "linkage" between the strategic weapons issue, where the Americans were at a disadvantage, and other issues. in which the Soviet Union might be forced to make concessions. That linkage worked, merely hy virtue of simultaoeity, in the case of the negotiations over Berlin in the current phase of the West German Ostpolitik But it did not work in the case of MBFR, the European Security Conference, the Middle East or Vietnam, let alone in the case anpredictable Soviet intervention ahroad [Angola, for example), simply because the Americans had not worked out how to make it work.

established between two precise and immediate issues, both of which are, or can be made in the most baffling theme in the whole tale. of the European Security Confarence, for example, if it had tumbled to the leverage it coold get out of the human rights issue, instead of being mesmerised by what the Russians thought they would gain from the conference.

But there was no way of link-ing SALT with a third-party problem like the Middle East or Vietnam unless Dr. Kissinger had used his hack-channel talks with Mr. Dohrynin exclusively for some broader negotiations on detente.

It may be argued that this kind of broad detente was unavailable, either because the Russians were not interested in it (almost certainly true), or because of the frissons of apprehension which it would bave caused in Europe - East and West-and in China (certainly true). At the time, of course, the SALT treaty seemed to the American people to mean more than was reasonable, and induced a temporary state of euphoria. That was only to be expected, and Dr. Kissinger saw the danger. What is so extraordinary is

that he had nothing interesting not worth the paper it was to say then, and apparently written on. Yet be continues to nothing to say now, about the relationship between the particular and the general in negotiations hetween Washington pliance with the ceasefire, if and Moscow. He can mouth banal generalities, but really it ference by Congress. We bad is as if he had not thought about no way, he says, of understand-

whole tale.

When Mr. Nixon came to power, he mada it absolutely clear that his aim was to end the war, and within a matter of months he started announcing a programme of American troop withdrawala. At the same time, there was, in Paris, a standing and official nagotiation betwaen the U.S. and the North Vietnamese, which remained permanently deadlocked. Inevitably Dr. Kissinger, inspired by his Chinese and Russian innovations, launched a secret and parallel negotiation with the North Vietnamese, also in Paris, and also completely sterile until mid-1972. Through out this process, be realised, as he makes abundantly clear, that the North Vietnamese were only interested in total victory. This is not surprising: an American

President who makes it clear

that he is going to get out of Vietnam, both becausa be wants

to, and increasingly because be

is being forced to by public apinion, is in a peculiarly weak

Peace prize

negotiating position.

In the end, of course, Dr. Kissinger got a "peace" agree-ment—and the Nobel Peace Prize. It is clear from his book that he knew the agreement was protest that it was a good agreement, and that the U.S. could have intervened to enforce comonly it bad not been for inter-ference by Congress. We bad

that even de Gaulle took four years to get out of Algeria; if foreign country when de Gaulle came to power, nor even a colony, hut virtually a part of France, he is not prepared to reveal as much to bis readers. A man who can, six years

later, advance arguments of this kind does nothing for his own credibility, let alone that of tha U.S. I do not know if Dr. Kissinger has ever read any Tacitus, but one of his pithier sentences comes to mind. It is spoken by a British guerrilla chief, about the invading Roman legions. "They make a desert, and they call it peace."

Alarming

Like the Lone Ranger, Henry Kissinger has become an evocative but abort-lived myth. It is disarming to learn that this distinguished professor of international relations bad in 1969 never heard of UN Resolution 242, despite the fact that be regarded the Middle East as a "vortex" of world politics. It is disturbing to read that the subversion against Allende was only designed to bring about an improvement in the Chilean electoral process. It is posi-tively alarming to discover that it was not until some time after the Nixon shock of August, 1971 (the suspension of gold convertibility and the 10 per cent import surcharge), that he realised that key economic decisions are political, not

technical. But in the end one must take refuge in the thought that the importance and power of Henry Kissinger grew out of the dis ordered personality of Richard Nixon. With any luck the American people will not elect another Nixon as their President.

* The White House Years by Henry A. Kissinger; 1,521 pp. £14.95; Michael Joseph/Weiden-

Britain and the EEC

From Professor T. Wilson and Mr. M. MacLennan

Sir,—As the debate about Britain is a loser under (i)— EEC contributions continues, i.e., in terms of the net cash the need for some further claritransfers. Or, to use a term fication of objectives becomes familiar in Brussels, the "trans-increasingly obvious. That may parent" transfer is disadvanincreasingly obvious. That may parent" transfer is disadvan-appear to be a somewhat dis-tageous to Britain. Nor is therecouraging conclusion for it may any obvious reason to suppose that it gains more than Gerusuggest long sessions devoted to many or France under (li) ... an unending debate about from the less transparent ad-: matters of principle. We wish vantages. Yet Britain is one of to suggest that there is, in fact, the poorer nations and this a fairly straightforward formula. situation is not therefore easily which, if accepted, would help to resolve the conflict between ifferent claims. We accept the view that juste.

There is the claim that the retour in terms of cash paydifferent claims.

Community was established in order to achieve a number of the contrary we would maintain specific objectives and that the specific objectives and that the that the transparent cash pursuit of these objectives must transfers should be so devised not be foiled by a narrowminded insistence on juste That is to say, each country should not expect to get back in cash receipts the equivalent of what it has contributed. If pushed far enough this contention amounts to saying that the distribution of gains should he ignored. and losses between nations

Such a contention appears to be in conflict, bowever, with the preamble to the Treaty of Rome which states that those subscribing to it are: "Anxious to strengthen the unity of their economies and to ensure their harmonious development by reducing the differences existing between the various regions and the backwardness of the less favoured regions."

wit would be unrealistic in sup-

that would be unrealistic in suptione that the Community
would aim at the equalisation
of living standards between
thember states or even desirable
that it should do ao. But some
movement in this direction movement in this direction is implied in the passage from the preamble to the Treaty quoted above. What is certainly clear is that a movement towards greater divergence, if caused by the Community's own policies, would be contrary to the Treaty. Apart from these quite ex-Apart from these quite statements of principle, it can be urged that, on pragmatic grounds, there should be no net Josers if the Community is to be beld together.

At this point we encounter a formidable difficulty. How are the total net gains and losses that follow from membership to be assessed? These gains and losses fall into two categories.

(i) the casb payments and cash receipts and (ii) the more general net benefits from greater freedom for the movement of goods, aervicea and capital, from joint enterprises in a number of fields (Euratom, the control of pollution, etc.) and from closer co-operation over a wider range of activities. The gains and losses under (i) can be broadly assessed, even if there la some scope for disagreement. Those under [ii) cannot be ao easily quantified and involve matters of judgment on which opinions are of the Imagination to translate bound to differ.

Defenders of the present budgetary arrangements might argue that even if a country ia, however, the cornerstone of suffers under (i). it gains under your editorial's argument which (li) and that, furthermore, the former. This may indeed be so present altempts to secure an cial evidence all point to a The House-Builders Federation, writer, this may indeed be so present attempts as strong underlying demand for 82. New Corendish Street, WI.

account-but it would be hard terms of transparent transfers. to demonstrate in quantitative Professor Thomas Wilson terms. Moreover those countries that gain under (i) may also gain under (ii) and may do so M. C. MacLennan. Department of Political Economy, at least as much as those that lose under (i). To be specific, University of Glasgow,

Letters to the Editor

Teaching the basic skills

From Mr. O. Stutchbury Sir,-In your first leader of November 15 you persist in a view about education which you (and Mr. Rogaly) have consistently voiced and which is so reconciled with the preamble to fundamentally wrong-beaded and misconceived that you must the Treaty of Rome quoted he asked ot change your ways.
You conclude: "In the end,

therefore, the complexity of the vested interests which divide the various 'partners' of the education system, may prevent the agreement which the government bopes to achieve. If so, however, the national bers of the Community. This interest plainly requires that does not mean that the richer. the curricular framework should be imposed by legislation." So much for the "less governnel losers for they may still benefil on balance when the you propose (quite non-transparent gains are taken rightly) on nearly every other issue on which you take a stand.

Has it occurred to you that agreement about what children the uncertainty of achieving a net gain as a result of these non-transparent advantages should be borne by one of the should be taught may be a very bad thing? There seems to poorer members—a net gain bave been remarkable agree-

issues are not taken into sufficient to offset the loss in ment in the 19 th Century; children should be taught to read the Bible, learn Latin and Greek, some mathematics but no science or living foreign language. Were our forebears right? Are you sure that mathematics will be an appropriate subject to teach children in the 21st Century? Are you quite certain that learning to read will be as important in ten to twenty years as it is today? I national exhibition of children's ban overtime in pay dispute. Mr. Andrei Gromyko opens think you would be wise to art at Guildhall Art Gallery; Prioce Charles attends Institubedge your bets and bave the dines with the Gold and Silver tion of Mechanical Engineers Foreign Minister. maximum diversity of educational curriculum.

People have been arguing about what children should be taught at least since Plato wrote the Republic. It is the ultimate moral question: how ought we to live? We should be allowed to differ from one another. Are teachers necessarily wrong if they resent outsiders teaching them their job? Thank God we are all

different and don't agree. One of the more disgusting manifestations of the growth of the Waffle Industry is the way in politicians and others waste everyone's time and money (have you thought what it would cost us all to monitor and control the country's "curricular framework"?)talking and legislating to try to make us all the same. Oliver Stutchbury, Dartington and Co.

Bridge Chambers, Bornstaple, North Devan.

Private housing demand

From the Economic Adviser, The House-Builders Federation

menus would not be an appro-

as to favour the poorer mem-

members would then become

What is unreasonable is that

into account.

Sir.-Your editorial "Paying for our housing " (November 12) reaches a number of mostly senaible conclusions more by luck than good judgment, for the analysis which preceded them is untypically long on unsubstantiated, popular generalisations and short on logic and facts to back them up. You atate, for example, that

the post-war rise in home-ownership "has been achieved at least in part at the cost of industrial investment and the value of equities." This is a familiar generalisation which has been firmly debunked by the Wilson Committee's recent examinations of the workings of the financial institutions, in particular by the evidence submit-ted by the Building Societies Association. Wilson has found out that prospective productivity and profitability (or the lack thereof) lies at the heart of this country's investment problems rather than availability of finance, while the BSA evidence showed not only the small declining proportion of building societies' funds actually finding its way into the use of real resources (i.e., new housing) but also the exceptionally low percentage of gross domestic product invested in new housing hy UK relative to other advanced economies. No doubt, the attractiveness of building society accounts has played a small part in the flight of the small saver from equities, hut it requires an exaggerated leap

this into a significant influence upon industrial investment. This very leap of imagination

is one of excess demand as "too many people are trying to buy too many houses at prices the country cannot afford to country cannot afford to finance." If this atatement were true, then private bousebuilders should no donbt object strongly to the three policy conclusions which, you say, flow from this fore seem, that most of our housebuilder members agree wholebeartedly with your first conclusion that "the Govern-ment must abandon the practice of bullying building societies into deferring changes in mort-gage rates until these are politically expedient"; that they have some sympathy with your accoud conclusion that the mortgage market should be more open and competitive; and that, subject to more thorough analysis than your editorial allows, they are not all opposed to considering favourably your third suggestion that inflation might be allowed to eat away at the £25,000 limit on mortgage tax

Their favourable response is not, of course, surprising since your statement that housing demand exceeds what the nation can afford misses the point, just like the claim that housing finance diverts funds away from industrial investment. The real excess lies in the fact that over one-third of the nation's housing as free market forces are stock (and, until recently, over one-half of new bousing production) lies in the massively subsidised state sector while over three-quarters of those in the ia, however, the cornerstone of younger (15-40) age groups and disproportionate public forming households wish to be then goes on to criticise as "alarming" the Government's graphic, behaviourial and finan-

funds on the grounds that it private housing which is backed will crowd out industrial invest- up by the capacity and willingment and direct more institu- ness of the individual to work tional investment into mort- earn and borrow to realise that gages. The problem, you say, ambition. Market-clearing levels for the mortgage rate and the entry of higher-cost financial institutions into the mortgage market as you recommended. will not discourage that demand but rather will encourage a greater supply of private new housing through boosting househuilders' confidence in the stable view of the housing market supply of mortgage funds. The How surprising, it would there slow, inflation-induced paring of mortgage tax relief (your third suggestion) would admittedly be entering new territory but would, on balance, he at the worst neutral in its effect upon private housing demand-and probably heneficial in the long term—if accompanied by an irreversible campaign to phase out public housing subsidies at the same proportionate annual rate. It is mainly the lack of bard evidence that such parity of treatment might be forthcoming that prevents many bousebuilders from espousing your third suggestion as enthusiastically as the first.

Your conclusions are thus not far wide of the mark but, rather like the mathematics pupil who gets the answer right but the wrong method, you mislead the reader even more damagingly than if it bad been the other way round. The nation is quite capable of affording the housing to which people aspire, without diverting funds away from industrial investment, so long genuinely allowed to allocate housing resources to what the purchaser wants and the balance of choice does not continue to be distorted by massive

GENERAL UK: President Valery Giscard d'Estaing of France starts twoday meeting with Mrs. Margaret Thatcher in London, before EEC summit meeting in Dublin.

Mr. David Howell, Eoergy Secretary, meets M. Andre Giraod, French Energy Minister, in London.

Mr. Norman Fowler, Transport Minister, sees the TUC Transport Committee.

Sir Peter Gadsden, Lord Mayor of London, opens Mayor of London, opens national exhibition of children's Mayor

Today's Events

Wyre Drawers' Company, Man- annual dinner, Dorchester Hotel,

Mr. Mookl Molapo, Lesotho Mioister for Commerce and Industry, leads trade mission to UK, visits Birmingham Chamber of Commerce.

General Medical Council disciplinary committee meets, London.

British Oxygen Company's Overseas: EEC Fina gases division manual workers Ministers meet in Brussels.

London, Post-impressionism Europe, winter exhibition of 400 paintings at Royal Academy of

Arts. Piccadilly (until March . National Graphic Design and Drafting Exhibition

Finance

President Anwar Sadat of Egypt celebrates second anni-versary of his trip to Israel with ceremony on Mount Sinai. PARLIAMENTARY BUSINESS

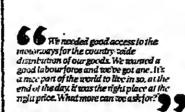
House of Commons: Civil Avlation Bill, second reading. COMPANY RESULTS

Final divideods; Cambrian and General Securities. Stocklake Holdings. Interim dividends: Elswick-Hopper. Ferranti. MK Electric Holdings. Ocean Walsons (Holdings). Sheffield Refresbment Houses.

COMPANY MEETINGS See Financial Diary on Page 24.

Our French shareholders have ala vys been happy at the way too have been able to operate and growin Clared. When visiting us, they have been more than complimentary about the contrast between our workforce and factory and those on the Covainent with which they are connected. And rightly so, since our intelligent, adaptable young people have enabled us to increase our turnovar every your for the last 20 years without a single your for the last a year lay-off, redundancy or strike!

David Pryce-Bayley Former Chairman of Knitmesh Ltd.



Managing Director of Engineering Concession







6 6 While Air Products was not established in the U.K. until the late estatusies in inc c.k. total tre tale 1950's the potential expertise, capability and skilled workforce to enter the field of low temperature technology had existed in Clayd for almost 100 years Today this Company's successful operations. Manufacturing Group General Manager of Air Products Ltd.



The extremely high level of adaptability of our workforce in difficult situations, combined with an all-round knowledge and professionalism, makes it possible to master the most difficult problems more easily than elsewhere. We problems muse early pleasant jactory relationship, and the co-operation of the employees is remarkable. In addition. work discipline is of a surprisingly high standard. Moreover. Clayd is a very beautiful area in which to live and work. I can scarcely think of a better place to recommend for setting up an industry:

Mr. M.M. Kaindl Chairman & Managing Director of Kronospan Limited

The above quotes are from just a few of the husinessmen who've moved their operations to Clwyd over recent years. We don't helieve in hoasting, but in letting the facts speak for themselves; and the fact is that Clwyd is of the fastest growing industrial areas in the U.K.

THE SPECIAL DEVELOPMENT AREA.

On 13 November the Government awarded Special Development Area status to the whole of the Deeside area. This, together with the recent upgrading of the Wrexham area, means that 800 sq km within the County of Clwyd now has SPECIAL Development Area status offering TOP PRIORITY INCENTIVES to companies investing here. The lovely coastal district of Rhyl

bas Development Area Status, whilst Colwyn and the rural Glyndwr districts are intermediate Areas. There are over 70 estates and sites to choose from and dozens of new projects have got away to a flying start

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FACT:—More than 10 million

people live within 2 lorry hours. In Clwyd we are central to all the major industrial conurbations.

FACT:—Altbough Clwyd is rapidly becoming a major industrial centre, the beautiful countryside which surrounds it remains unspoilt. The County becomes even more attractive when you consider the excellent access it has to the major national and international

ports by road, rail, air and sea.
Why not find out the facts for yourself by sending for your free colour brochure to Wayne S. Morgan, County Industrial Officer, Clwyd County Council, Shire Hall, Mold, Clwyd. Tel. Mold (0352) 2121.

Exactly where you want us.

The minority interest in the

Forsanet Group had now been acquired and the freehold pro-

eliminated the borrowings in

group had a 20 per cent interest,

was trading ahead of profit pro-

jections made at the date of

Norwich based merchant banking

and investment group is 83 per cent owned by Scottish American Investment Company and Anglia

Gomme chief

improvement

Improved profits are forecast for the current year by Mr. H. N. Sporborg, the chairman of Gomme Holdings, given reason-ahly stable economic and indus-

trial conditions in the country

pre-tax profits in the year ended July 27, 1979, expanded from

annual review, that although there appears to be a fall in the level of demand for furniture

generally, demand for the com-pany's G-Plan remains high.

confident that a sound basis has been established, "which will

enable us to achieve a faster rate of growth in the future."

the company which represented 29.7 per cent of the issued

He adds that the directors are

As reported on October 25,

Anglian Securities,

acquisition, the chairman said.

Thermabreak, in which

Forsanet Property.

Television Group,

forecasts

generally.

Charterhouse holders get Spring Grove stake

6Y TERRY GARRETT

AN OFFER for sale by tender to Charterhouse Group share-holders is the highly unusual format for the forthcoming flotstion of Charterhouse's subsidiary. Spring Grove Services.

Charterhouse will be selling 60 per cent of its stake in Spring Grove, to raise between £9m and £11m. The shares will be on offer later this month to Spring Groves's 1,660 employees as well as the 16,600 ordinary shareholders in Charterhouse.

The offer has been framed in this way, says Mr. P. Ralph of Charterhouse, "because the offer of a good company and Charterhouse's own shareholders abould he the ones to benefit." He added that "If any predator did come over the borizon it should he Charterhouse's shareholders who henefit rather than the stags who come in for the offer alone." Bot Mr. Ralph does not foresee a bidder in tha near

The problem with an issue to sbareholders is that the Inland Revenne cannot give prior clearance that any premium over the issue price when dealings hegin will not he treated as a This would leave the company open to an advance corporation tax charge, and the shareholder open to a tax liability.

Charterhouse has therefore made the offer hy way of tender so that the striking price can as close to a reasonable

BOARD MEETINGS

The following companies have notified dales of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends ere intereing or finels and the sub-divisions. interims or linele and the aub-divisions shown below are based mainly on last year's timetable.

TODAY heimets, boots, face shields and industrial protective

INTERIORS—ELEVICE-HOPPER, GREET POR-land Estates, MK Electric, Ocean Wilsons, Rossprint, Sheffield Refresh-Wileons, non-ment Houses.
Finals—Australia and New Zealand
Banking, Cambrien and General Securities, Stocklaka Holdinge.
FUTURE DATES

Interims—	
Bristol Evening Post	
Capital and Counties Property	
Operatore Gold Mining	
Kloof Gold Mining	
Libanon Gold Mining	
M and G Second Dual Trust	
Renold	
Rowlinson Construction	
Venterspost Gold Mining	
Walker (J. O.)	
West Briefontain Gold Mining	
Finals—	
Glenmurray Investment Trust	

market price as possible. In this way, Charterhouse says, it can be seen not to he offering an obvious immediate gain to its investors. Half of Charterhouse's charge are hold by institutions. shares are held by institutions. was 0.67
Spring Grove's main activity £214,000.

is the rental of workwear and towels, which account for over 80 per cent of its £20m turnover. Pre-tax profits of Spring Grove amounted to £3.2m in the finan-cial year ended last September. The company has in recent years diversified into safety equipment where it distributes

clothing. There is also a small Dutch subsidiary involved in laundry services for hospitals, ships and shipyards in the Rotterdam area.

Walker & Staff lower at midway

Pre-tax profits £7,000 lower at £69,000 on turnover of £1.56m against £1.26m are reported by Walker and Staff Holdings for the six months to September 30, 1020

Subject to the continuance of normal working in the manufacturing industry, the directors anticipate that turnover for the second half will show an increase on the corresponding period last year, but pressure on margins will continued to the company "does not make a habit of commenting on rumours."

period last year, but pressure on margins will continue.

They anticipate that the divident for the year will at least be maintained. Last year's payment was 0.675p net from profits of \$214.000

Abridged Particulars

Application has been made to the Council of The Stock Exchange for Participating Redeemable Preference Shares of the Company to be admitted to the Official List. The Subscription Lists for the shares now offered will open at 10.00 a.m. on Thursday, 22nd November, 1979 and will close ou the same day as soon after 10.00 a.m. as the Company may decide.

SELECTED MARKET TRUST LIMITED

(incorporated under the Companies (Jersey) Laws, 1861 to 1968)

The authorised share capital of £100,100 is divided into 100 Founders' Shares of £1 each, all of which are fully paid, and 10,000,000 Unclassified Shares of 1p each which are available for issue either as Participating Redeemable Preference Shares ("Participating Shares") or as Non-Participating Redeemable Second Preference Shares.

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on behalf of the Company

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The Company was incorporated in Jersey on 16th October, 1979, to provide a means of investing in a managed portfolio of international securities. The Fund has similar open-ended characteristics to a unit trust io that it can issue and redeem its Participating Shares at prices based on its net asset value.

A Prospectus (on the terms of which alone applications will be considered) was published in the Financial Times and the Daily Telegraph on Saturday, 17th November, 1979 and is being published in The Times on Monday, 19th November, 1979. Copies may be obtained from:

> S. G. Warburg & Co. Ltd., 30 Gresham Street, London EC2P 2EB.

S. G. Warburg & Co. (Jersey) Ltd.,

7 Library Place, St. Helier, Jersey, Channel Islands.

James Capel & Co., Winchester House, 100 Old Broad Street, London EC2N 1BQ.

Barclays Bank Limited New Issues Department, 2 London Wall Buildings, London EC2P 2BU.

Barclays Bank Limited. P.O. Box 8, 13 Library Place,

St. Helier, Jersey,

Channel Islands.

New chairman for Belhaven

Mr. Ronald Aitken, a partner of city accountants Binder Hamlyn, has taken over as chairman of the troubled Belhaven Brewery group. He is the fourth chairman this year and succeeds Mr. Peter Rowland, who remains on the hoard.

loss-making packaging and hotels group bas recently been plagued by board-room rows and Mr. Arthur Clin-ton announced over the weekend that be was resigning his directorship. Mr. Clinton, who was deputy chairman until October this year, disagreed with the contents of a circular issued to shareholders on October 29.

Mr. Aitken said the board, which be met for the first time on Saturday, had agreed to act "in a sensible and unified fashion." Referring to reports that James Gulliver Associates was anxious to acquire a major staka in Belhaven, Mr. Aitken said he had not received a formal proposition from the company. He added, however, that he had a high admiration for Mr. Gulliver and would welcome an approach if the price and terms

Securities sees increase

Mr. F. G. Rollason, chairman of East Anglian Securities Holdings, told the annual meeting, that since the balance-sheet date further progress was being made hy all divisions and be expected profit for the year to show a substantial increase on last Lloyd's under no threat

incurred, were strongly refuted by Mr. Ian Findlay, the chairman.

Speaking last Friday at a lunch

to commemorate the 75th anni-

Mr. Findlay pointed ont that the

were paid on claims funded. The

Asland
Banco Bilbao
Banco Cantral
Banco Exterior ...
Banco Hispano ...
Banco Ind. Cat ...
Banco Madnid ...
Banco Santander ...
Banco Vizcaya ...
Banco Vizcaya ...
Banco Zaragoza ...
Oragados
Gal. Preciados ...
Hidrola ...
Ibeidueto
Petrolaos ...
Petrolaos ...
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BRAZIL

from computer losses SUGGESTIONS that the stability for the size of the US\$ component and security of Lloyd's were of the premium trust fund was and security of Lloyd's were heing threatened by the com-puter leasing losses being US\$2.5bn. Thus one year's interest on this fund would meet

Mr. Findlay admitted that these particular losses would mean underwriting losses for some syndicates in the 1977 year. But versary of Stenhouse Roldings, to talk of them threatening the strength of Lloyd's lay io its premiums trust fund, a pool of money loto which premiums security of Lloyd's was Indicrous. He expressed his confidence that Lloyd's would come through these current situations quite unimpaired and would be bealthier for the experience. fund was maintained to three currencies, US\$, C\$ and sterling. The estimated loss from computer leasing policies is US\$220m, while the latest figure

FT Share Service

The following securities have been added to the Share Informatioin service appearing in the Financial Times: Chambers and Fargus (Section:

BIDS & DEALS

Wadham Stringer's trading conditions deteriorate

rties, previously held at trading stock, had been sold. This tions have become increasingly difficult since publication of the interim report on September 27. The group attributed the difficulties to increased economic uncertainties, tight monetary nolicy and the changes in indirect taxation.

The statement is contained in an offer document concerning proposed acquisition of Wadham by Tozer Kemsley and Milibourn. The bid is worth 70p per share and has been accepted the Wadham Board for the 11.7 per cent of shares controlled hy its members and family. TRM has also purchased 27.9 per cent of Wadham's ordinary share capital through the market. The document states that Ford

has indicated that it would comsider the purchase hy TKM an event which would allow it to terminate its agreements with Wadham Stringer subsidiaries if it so desired, Ford has, however, granted Wadham Stringer subgranted watcham Stringer sub-sidiaries naw agreements until: February 13, 1980, and will grant TKM new agreements, determinable at 30 day's notice, for a further period of one year. A pro-forma statement of the

\$1.33m to \$1.9m, on turnover well ahead at \$30.3m (\$24.9m). The dividend is increased to 4.057p (3.377p) with a final of 3.17p.

The chairman says in his comomed net tangible assets of the two companies shows total borrowings of £63.6m and net tangible assets of £29.9m. The statement is based on balance sbeets as at December 31 last year, adjusted for subsequent disposals and acquisitions by Wadham Stringer, and assuming full acceptance of the offer.

GKN/ARMSTRONG

During the year Marley sold its entire bolding of shares in Guest Keen and Nettlefold is going ahead with the sale of its loss-making Darlaston bolt works to Armstrong Equipment at the start of next month.

GKN said that the transfer would take place following "a positive response" from the employees of GKN Bolts and Nuts and broad agreement on the terms and conditions for the

No figure was given for the sale, out it has been estimated that the Armstrong takeover would cost £2m £3m. Around 800 are employed at

FERRANTI

Foreign Investment Agency of Canada has approved the sale of Ferranti-Packard, the Canadian subsidiary of Ferranti, to Northern Engineering Industries. The acquisition, agreed earlies this Northern year subject to FIRA approval, has accordingly been completed.

The Carclo 101 per cent como-letive redeemable preference scares 1999 and the 10 per ceot convertible redeemable pre-ference shares 1999 bave now been admitted to the official list hy the council of the Stock Exchange. The resolution to effect the

Foods); capitalisation issue of the new ordinary shares of English Card Clothing was passed at the EGM

Public Works Loan Board rates Effective from November 17

154 154 154 162 16 153 Up to 5 Over 5, up to 10 ... $15\frac{1}{4}$ 15 153 15} 15Ļ Over 10, up to 15... 151 153 Over 15, np to 25... 143 151 147 * Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment hy half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

CORAL INDEX: Close 404-409 (-2)

INSURANCE BASE RATES

† Property Growth 131% † Vanbrugh Guaranteed 141% t Address shown under Insurance and Property Bond Table.

GROUP LOTUS CAR COMPANIES



HALF-YEAR RESULTS

The unaudited financial results of the Company for the 26 weeks ended 30th June 1979 were announced on 16th November.

Sales	First Half 1979 £7,136,000	First Hal 1976 £4,500,00
Trading Profit before tax and extraordinary item	£839,000	£347,00
Trading Profit after tax and before extraordinary item	£397,000	£173,00
Extraordinary item:		~73,00

Extrac Special costs of U.S. market £210,000 after tax Group profit after tax £292,000

Mr. A. C. B. Chapman, CBE, BSc(Eng.), FRSA, Chairman.

"Our increase of 58% of trading sales reflects the increased sales volume of Lotus products supplemented for this period by our engineering activities. Trading profit has more than doubled. The extraordinary item represents special costs relating to the US market in connection with the termination of our four independent distributors as from the end of last year. We recently announced that distribution in the USA would in future be undertaken by Rolls-Royce Motors Inc. these arrangements only being possible following our intervention in the market during the last nine months.

I believe we have demonstrated considerable improvement



Wadham Stringer, the vehicle of ECC held on November 15, part of the Chamberlain Phip distributor, says trading condi-Accordingly, Carclo's offer for the ordinary shares of ECC not already owned has become unconditional in all respects.

ALUSUISSE AGREES TO BUY EDENLITE

Alusuisse (UK), a subsidiary of Alusuisse, a major international aluminium producer has agreed to buy from the receiver the business and some of the assets of Edenlite, a Swindon based manufacturer of aluminium ereenhouses.

Edenlite, which last year had losses of over £100,000, was put into the hands of Mr. Peter Duhuisson of Binder Hamiyn, as receiver, on October 19. It employed 85 people most of employed 85 people most of whom are to he offered jobs by Alusuisse.

A spokesman for Alusuisse said that the purchase repre-sented an opportunity for it to diversify downstream. At present facture of aluminium sbeet, foil and extrusions.

WESTAIR-HARGREAVE

Current trading prospects of Westair-Hargreave, tha manufacturer of industrial air control and dehumidifying equipment, are likely to lead to andited pre-tax profits for the 11 months ending November 30, 1979, of not less than £458,000. The details are revealed in the offer document sent to shareholders hy Neil and Spencer Holdings, which is planning to acquire the group for £1.7m.

WHARF MILL

The offer on behalf of Mr. S. E. Boler for the outstanding shares in Wharf Mill Furnishers has now closed. No shares have been acquired by Mr. Boler under the offer, nor were any acquired or agreed to be equired during the offer period.

Immediately before announcement of the offer, Mr. Boler bought 1m Wharf Mill shares (63.76 per cent) at 27p

TAYLOR HARTLEY

Bodycote International's subsidiary Taylor and Hartley Fah-ries bas continued its expansion programme with the acquisition, for some £137,000, of Saw Mill,

Saw Mill is an industrial fal rice weaving concern at Gree Harwood, Lancachire. Above 187,000 of the payment relate 16 Stocks awaiting customer cal

CONTROL RAISES STAKE IN INGALL

Control Securities has accomas an investment 275,600 ordinar 10p shares in fagali Industri from N.V. Slavenburg's Bank, Rotterdam. With 209,500 share already held, Control has a 9.05 per cent interest in Hardway of the engineering all funeral furnishing group.

The newly acquired shares we not rank for Ingall's final dis dend for the year to June 3

consideration for acquisition is the allorment the vendor of 275,000 ordin shares of Control, which will rank for its interim dividend be declared in January, 1980.

NUNNERY EXTENDS MOOLOYA OFFER

Numery Heldings, a priva company owned and controlle by Mr. I. A. Phillips, a direct of Mooloya Investments, is extend by one month its offer it the shares it does not alve own in Mooloya. The offer now close on December 27. The extension is to

Mooloya and its advisors, S Securities, time to give opinion on the offer based on most up to date informa Mooloya, which is negotia

with an international group of the future development of main operating subsidier Customagic Manufacturing Ca pany, envisages that audia accounts for the period end April 30, 199, and profit and ending April 30, 1980, will been reviewed by Mooloya's at tors and by Setas, by the earlithe first week of December. cash flow forecasts for the If this timetable can be

Mooloya and Setas anticiposting their recommendation ordinary shareholders Mooloya early in the month When a recommendation posted Numery intends an taneously to give sharehold 14 days notice of the exist the renewed offer.

M. J. H. Nightingale & Co. Limited - 62-63 Threadneedle Street London EC2R 8HP Tel: 01 638 8851

£000's capitalisatn.	Company	Lest price	Change	Gross Div (p)	Yield	P/E
4,625	Airsprung	80	-3	8.7	8.4	4.7
1,075	Armitage and Rhodea	43		3.8	8.8	2.5
6,751	Bardog Hill	221	-1	13.B	e.2	6.5
4,994 1,425	Daborali New Ord, fully	93.	-3	5.0	5.4	10,2
	paid Rights	33.		<u> </u>	-	
708	Deboreh W% CULS	353	+3	77.5	5.0	-
14,880	Frederick Parker	103	1	12.B	12.4	8.08
2.342	George Biek	110	-3	16.5	15.0	
1,450	Jeckson Groter	. 58xd		5.2	9.0	3,4
16,286	James Burrouge	11B	-3	7.2	6.1	10.4
2,560	Robert Jenkinsk	250	10.	31.3	12.5	4.9
3,538	Tordey Umited 1	230	-2	14.3	8.2	6,0
4,701	Twinlock Ord	22	-13	O.B	3.B	4.2
2,020	Twinlock 1212% UES	74		12.0	16.2	
7,051	Unilock Holdings	54	_	2.8	4.8	11.5
10,233	Welter Alexander	. 81	·	4.4	5.4	5.4
4,294	W. S. Yestes	184	-1	11.5	8.3	73.
4.364	W. S. Yeates New	187	-1			
	Accounts propered under		sions of	SSAP 1	5.	7

INTERIM REPORT

	Uneadited Results for 26 weeks to	Audited Results for 52 weeks to
External Sales Profit before Texation Earnings per 25p share Dividend per share Interim	29.9.79 30.9.78 £'000 £'000 29,779 30,051 238 1,406 0.7p 4.5p 0.5p 1.65p	£'000 63,510

Chairman's Comments.

Group profit before tax for the half-year was £238,000, after charging £583,000 for severance payments. This drop ir performance was due mainly to the redundancy costs and operating loss at our principal foundry together with the serious effects on all our companies of the national engineering

After careful consideration of the current situation and despite the set-back in this half-year we intend to pay or 4th January 1980 an interim dividend of 0.5p per Ordinary

The reduction in maming at F. H. Lloyd & Co., to which I referred in July, will be substantially completed during the second half of this financial year and, with our other foundry and service companies trading satisfactorily, we are looking for improvement next year.

The engineering and steel division did well to maintain its profits and, subject to the general economic situation we expect its performance to be sustained in the second half Our associated company's results continued to suffer from excessively high scrap prices, but the recent adjustment in billet prices provides an opportunity to improve profit levels

in the current six months. Installation of our new mini-mill, with its advanced facilities, at Wednesbury is on schedule and it will be operational towards the end of 1980. Our decision to embark or this venture has been reinforced by the continuing decline in certain of our traditional markets in the heleness inclined in certain of our traditional markets in the half-year just

FINANCE FOR INDUSTRY TERM DEPOSITS Deposits of £1,000-£50,000 accepted for fixed terms of 3-11, years. Interest paid gross, half-yearly. Rates for deposite received not later than 23.11.79.

Terms (years) 3 Terms (years) 3 4 5 6 7 8 9 10 Loterest % 12½ 12½ 12½ 12½ 12½ 13 13 13 Deposits to and further information from The Chief Cashier, Finance for Industry Limited, 91 Waterloo Road, London SEI SXP (01928 7822, Ext. 367). Cheques payable to "Bank of England, a/c FFI." FFI is the helding company for ICFC

£173,000

Barclays Merchant Bank Lid. Dashwood House, 69 Old Broad Street London EC2P 2EE

3rd December, 1979, from:-

dealings in them are expected to bagin today,

Panmure Gordon & Co. 9 Moorfields Highwalk, London EC2Y 9DS

ENGINEERING GROUP LIMITED

(Registered in England No. 196249)

issue of up to 2,368,095 shares of £1 each credited as fully.

pald to be classified as 10½ per cent. Cumulative Redeem-able Preference ahares 1999 and/or 10 per cent. Convertible

Redeemable Preference ahares 1999 telating to the

The Council of The Stock Exchange has admitted the

above-mentionad securities to the Official List and

Particulars of the rights attaching to these securities are

available in the Extel Statistical Service and copies of such

particulars may be obtained during usual business hours

on any weakday (Saturdays excepted) up to and including

acquisition of The English Card Clothing Co. Limited.

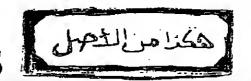
19th November, 1979



National Westminster **Bank**

NatWest announces that with effect from Monday, 19th November, 1979 its Base Rate is increased from $15\frac{1}{2}\%$ to 17%per annum.

The basic Deposit and Savings Account rates will be increased from $13\frac{1}{2}\%$ to 15% per annum.



CURRENT INTERNATIONAL BOND ISSUES

NTERNATIONAL BONDS

By FRANCIS GHILES

DM issues attract attention

SHARP fall in sterling deominated bond prices following the record rise in the UK
linimum Lending Rate and a
trong surge in demand for the utsche - Mark denominated

Mark denominated

7½ per cent IMBDI bond to 1984
by five points to 71, where it yields 11.2 per cent, the 7½ per cent interest rates did decline early in the week but then moved up again. Citicorp's decision to increase its prime cent, and the 7½ per cent IMBDI

1087 by five points to 71, where it yields 10.6 per decision to increase its prime cent, and the 7½ per cent IMBDI to 1985 by 2 points to 79½, where it yields 10.6 per cent IMBDI to 1985 by 2 points to 79½, where it yields 10.6 per cent IMBDI to 1985 by 2 points to 7½ per cent IMBDI to 1985 by 2 points to 7½ per cent IMBDI to 1985 by 2 points to 7½ per cent IMBDI to 1985 by 2 points to 7½ per cent IMBDI to 1985 by 2 points then moved up again. Citicorp's decision to increase its prime cent, and the 7½ per cent, the 7½ per cent, the 7½ per cent IMBDI to 1985 by 2 points then moved up again. Citicorp's decision to increase its prime cent, and the 7½ per cent IMBDI to 1985 by 2 points then moved up again. Citicorp's decision to increase its prime cent, and the 7½ per cent IMBDI to 1985 by 2 points then moved up again. Citicorp's decision to increase its prime cent, and the 7½ per cent IMBDI to 1985 by 2 points then moved up again. finimum Lending Rate and a aper characterized the inter-iational bond markets last seek. Events in Iran and the lifficulties that might result for be syndicated loan sector of he Euromarkets were largely

hrugged off.
Unlike the ayndicated loan tarket, which bas exten-ed some billion of dol-ers of syndicated loans ir Iranian borrowers, the ond market bas only witnessed iur issues, all for the same otity, the Industrial Mining ad Development Bank of Iran. ne of these, amounting to 30m, is denominated in dol-rs: It has been languishing at a indicated level of 75-80 for long time now but is not ally the object of any trading. Such is not the case with the ber three, all denominated in eutsche-Marks and totalling

IRAN

bond to 1987 by five points to 72, where it yields 12.9 per cent.

Not all the selling orders were accommodated and in Frankfurt the Deutsche Bank, lead man-ager of two of the issues was not quoting a price on the stock

Whether the latest rally in the dollar sector was built on false hopes, as most observers are inclined to think, the next few weeks will tell. Certainly started trading on Thursday, was the sharp mark-up in pricea quoted at 981-99.

which underlined the first two Morgan Stanley's decision to trading days of the week were not accompanied by any large flow of new funds into the mar-

Prices fell on Wednesday in the wake of Iran's threat to withdraw funds from U.S. banks but the markst recovered quickly. By Friday's close, prices of straight dollar bonds were They all fell last week: the posting gains of about 12 points

came as a sharp reminder that the peak in interest rates has not yet arrived.

Only one new dollar issue was announced last week, a \$75m FRN for the Long Term Credit Bank of Japan. Other issues on offer met with a good reception, especially the \$300m Citicorp rolling rate issue. Meanwhile, the \$50m FRN for the Industrial Bank of Japan, which

Morgan Stanley's decision to go ahead with its deferred Yankee issue for the EEC pointed to a better climate in this sector too. The indicated amount of this issue bad been cut from \$200m to \$90m two weeks ago but the lead manager was able to increase it to \$125m. It was priced to yield 11.60 per cent, thus creating a new benchmark for this sector which

Selling pressure on these

issues in no way affected the foreign Deutsche-Mark sector where most bonds chalked up gains of a full point last Friday. The first three days of the week witnessed good demand for the new issues—for New Zealand and Norges Kommunalbank, which offered investors much higher coupons than other recent issues. Investors were bowever selling older D-Mark foreigo paper to buy the new and thus depressing secondary market prices earlier in the

The tone changed on Thursday following the completion of the Federal Governments fund.

Tranc sector, prices stabilised early in the week and picked up later on. ing programme through the successful issue of DM 4bn worth of Schuldscheine notes which offered investors yields ranging from 9 to 8.45 per cent on one-to-ten year paper. This buoyed the domestic D-Mark market and the good mood spilled over into the secondary foreign D-Mark conditions.

On the new issue front buying activity was stepped up after it hank was bringing Gasunie, the private company which bolds the monopoly for buying and selling natural gas in Holland, to the market. Gasunie is a prime corporate name and has never horrowed abroad before -just the kind of paper investors relisb.

Belgium's State telephone company, RTT, went ahead with a DM 400m Schuldscheine note carrying a maturity of 10 years and a coupon of 8! per cent which it arranged through Deutsche Bank In the Swiss franc sector. week and picked up later on. The three hig Swiss banks are expected to meet in the next

doing later last month because of the deterioration in market

day or two to decide wbether

the time is ripe for issuing

public honds again, something

they decided to refrain from

borrowers	Amount m	Maturity	years	%	rnce	Lead manager	yield
U.S. DOLLARS							%
‡**†8ritish Airways					_	0.1-0	
(g'teed UK)	100	1991	8.5	_		Orion Bank	
‡†8ergen Bank	25	1989	10	6 Ф	100	CSFB, Bergen Bank	6.183 ⊅
#**†IB] Finance Co. NV	50	1987	8	5}Ф	100	Morgan Stanley, IBJ Intl.	5.319¢
††Sweden	100	1984		•	•	Salomon Bros.	•
††Sweden †Citicorp O'seas	100	1999	13	•	•	Salomon Bros.	•
Finance Corp.	300	1984	4.5	_	100	CSFB	
†††EEC †Long-Term Credit	125	1999	13.02	11.6	100	Morgan Stanley	11.936
Bank of Japan	75	1986	7	51∕4	*	CSFB, Credit Lyonnais	
D-MARKS Norges Kommanufban (g'teed Norway)	k 150	1994	104	el.	100	Westl B	8.5
Nederlandse Gasunie	100	1986	5	8 <u>1</u> 81	100	Commerzbank	8.25
SWISS FRANCS 1**Daiwa Danchi (g'tae							
Tokai Bank)	35	1984	-	57	100	UBS	5.375
§**Fuji Heavy Industrie i**Densk Export		1985	_	5	100	SBC	5.000
Finanserungs Fonds	75	1984	_	5	100	Swiss Volksbank	5.000

denominated honds took a pasty knock following the three-point rise to 17 per cent in MLR on Thursday. Some issues aubsequently lost over three points

‡§**Hasegawa Komuten

In sbarp contrast, sterling norm

by DAVID LASCELLES U.S. BONDS Crisis halts rally

and yields of between 141 and 15 per cent are becoming the By WILLIAM CHISLETT

conditions Mexico

there will be a general increase

in loan spreads, regardless of

the quality of the borrower,

"Mexico will still be among

those treated more favourably

and that it will take a little

At the same time the Plan-

ning and Budgeting Ministry is

next year's budget. The three

year agreement with the IMF,

imposed after the 80 per cent

devaluation of the peso in 1976,

to limit net foreign borrowing

this year. Mexico. of its own

accord, may well fix a similar

Mexico does not feel that the

reduced Japanese participation

will effect it, despite the fact

amount for 1980.

\$3bn expires at the end of

longer to hit Mexico."

even if investors are still not

convinced that interest rates bave peaked. Although bonds sbed some of their gains on Thursday and Friday, there were net gains over the week. The rally was triggered by mounting evidence of an economic slowdown, together with a drop in credit demand. Industrial production rose by a mere 0.1 per cent last month, car sales were sharply down, and the dollar was stable, in the final stages of drawing up although the Iranian crisis and the rise in Britain's MLR later

gave it a knock. Sbort-term indown after the wild gyrations in October caused by the Fed's credit package. From a peak support.
of nearly 16 per cent three lt coweeks ago, they traded last there is the meek at an average 13.30 per into fur cent. True this did not pre- decisions a much higher rate vent the banks from increasing their prime rate to a record 151

THE CRISIS in Iran, and the high levels set in October.

particularly the threat that Iran might refuse to accept dollars in payment for oil, brought last wby Wall Street does not exweek's promisiog rally in the pect any major policy developbond markets to an abrupt balt, ments from tomorrow's Federal and constituted a sharp Open Market Committee meet-reminder of how easily strained ing in Washington. The sharp relations in the Middle East can rise in money aupply figures last escalate ioto economic warfare, week (M1 up by \$3bn and M2 Aside from Iran, the markets \$4.4bn) might be cause for conare now in somewhat better cern if they are repeated this shape. The rally in the early part of last week showed that look like a hlip which does not there is potential for recovery, greatly affect the longer-term money supply growth rates.

Other data the market will be looking for this week include today's release of the latest personal income, capacity utilisation and bousing starts statistics, all of which could provide useful clues as to the speed at which the economy is entering a recession.

But the data would have to give a very clear signal to bring about a major change in the market's mood, Brothers noted in their weekend "Comments on credit" that the failure of the market to terest rates are also settling bold last week's gains showed tbat long-term institutional investors provided little, if any.

It continues: "Apparently there is now beginning to filter into fundamental investment of foture inflation (mainly reflecting both the persistence of nd the Finance Ministry that this year Tokyo banks bave banged its strategy with, been aggressive and bave coording to Sr. Gurria, "reia-homed in, overtaking the U.S. homed in, overtaking the U.S. which sets its prime on the economic activity that does not lyely successful results."

"This proved that even under limits the finance of the persistence of per cent on Friday, but that strong wage demands and higher move was led by Citibank, which sets its prime on the economic activity that does not mean quick relief from interest which would-still bave included rate pressures."

By JOHN EVANS

The Euromarkets falter

ME FUNDAMENTAL pro- aries to use frozen Iranian members on an in the Eurocurrency stem appear to be under presre as a result of President rter's freeze on Iranian assets. llowing Tehran's threatened iss withdrawal of funds from

At least one major Iranian odicated loan, the \$500m perial Government credit of 77, was last week moving into market participants .imed was effective default, er a regular interest payment led to appear from Tehran. ... Chase Manhattan, the agent nk, was subject to the U.S.

ezing order, there were few pectations in the banking dicate which advanced the edit that this payment would Clearly pre-empting such d Bankers Trust Companycided to combine their London bankers pointed out. posit and loan accounts of

Iranian Government at their erseas branches to pay off ins extended to Iran. This action was backed by J.U.S. Treasury, which gave

deposits to meet outstanding loans granted to Iran. Citibank last week publicly confirmed that it had combined

its Iranian accounts, in a aetoff action, to pay off an Iranian

Consequently bankers said that complete confusion " reigned in the syndicated loans market over the future of \$20n or so of Iranian state or semi-state loans, where U.S. banks had a strong stake.

One major question was: could a U.S. bank take such offsetting action to ensure Ioans were repaid from deposits when participating in the same own losn commitments. credits? European banks, for instance, are not subject to the freezing order and, to maintain dissociated from such action,

While this set-off clause them powers to claim back loan eign branches and subsidi- proceeds being shared among in the freeze.

basis." But others dispute this, stating that many loans do not carry clauses providing for equal treatment.

U.S. banks have taken the dominant role in recent years in handling Iranian investment aod deposit flows, and are thought to bave the bighest concentration of deposits from Tehran - notwithstanding the growing tension between the two countries in recent months.

One concern in Europe was that a general default on Iran's outstanding loans could leave non-American banks at the back of the queue when it comes many non-American banks were to eventual repayment of their Underlying all these uncer-

tainties is the basic question of the free transferability of the faults, major U.S. banks-led orderly links with Tehran, dollar in the Eurocurrency Citibank, Chase Manhattan might theoretically want to be system. While the Iranian Government retains balances among non-U.S. banks in the Euromarkets, transfer appears in the documentation of these dollars normally infor many loans, interpretation volves the intermediation of of its exact implication differs U.S. bank accounts and the wildly. Some banks say it gives New York Clearing House System, In this situation, these pensation for U.S. banks' amounts from deposits, with the dollars could also be caught up

MEXICO

A big borrower sees higher spreads

MEXICO, nne of this year's earnings of \$15bn, is a substan- difficult most aggressive borrowers, does tial sum. not expect the tightening of credit conditions in the U.S. and Japan's lower profile in international lending to bave a economy is growing, and will marked effect on its sharp continue to grow, at around 8 approach to the markets.

However, it is an insescapable fact that the U.S. moves are raising Mexico's debt service cost considerably. This, more than a probable increase in the of furrowed brows in the after the last two years in which Finance Ministry and the Banco the Mexican Finance Ministry de Mexico, the central bank.

Financing, estimates, on the vice its debt.

which, when cumpared with tively successful results."
total estimated current account "This proved that even

faired well," he added. But there is no concern, at Sr. Gurria says he shares the views of bankers that while

least visibly that Mexico's debt is ummanageable. The oil-rich per cent a year with the oil itself an attractive collateral for bankers. Nor is there much concern that the peso is becoming overvalued.

Bankers in Mexico feel that very fine rates which Mexico Euromarket borrowing terms is enjoying, is the main cause are touching bottom and that has had the whip band, 1980 Sr. Angel Gurria, the mini-stry's Director of Foreign market.

In its latest operation, the basis of a public foreign deot Commission Federal Electri-of \$30bn at the year-end, that cidad raised \$400m in a club every time Eurodollar rates rise deal at 3 per cent over LIBOR by one full point it costs for 12 years The original idea Mexico an extra \$200m to ser- was to syndicate it, but this rice its debt. coincided with the U.S. moves In an interview, Sr. Gurria and the Finance Ministry forecast total debt service costs changed its strategy with, would be around \$700 this year according to Sr. Gurria, "rela-

ELECTRICITE DE FRANCE

U.S.\$1,000,000,000

ELEVEN YEAR EUROCREDIT FACILITY

AMSTERDAM-ROTTERDAM BANK N.V. CAISSE DES DEPOTS ET CONSIGNATIONS CREDIT COMMERCIAL DE FRANCE CREDIT LYONNAIS KREDIETBANK S.A. LUXEMBOURGEOISE LLOYDS BANK INTERNATIONAL (FRANCE) LTD. THE SANWA BANK, LIMITED

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Agent **CREDIT LYONNAIS**



October, 1979

FT INTERNATIONAL BOND SERVICE

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. OOLLAR		Change on	
- IAIGHTS	lasued	Bid Offer day week Yield	YEN STRAIG
oa ol Australia 10 89	60	88 2 89 +07, +27, 12.01 ,	Australia 6.
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A 104 91 A 94 99 ladian Pacific 94 89	125	88's 90's +0's +1's 17.78' 87's 27's +0's +0's 12.83 80's 00's -0's +0's 12.80 89's 39's +0's +1's 12.80 89's 39's +0's +1's 12.08 88's 88's 0 +0's 12.01	OTHER STR
ladian Pacific 94 89	50 50	894 894 +04 +14 11.51 894 895 +04 +14 12.08	Nordic I. 81
ter Hawley 94, 88 nalco Inv. E. 107, 91 tunental Grp. 94, 86 ne Patrolaum 10 94 minton Bridge 107, 84 w Cham. O/S 94, 84 qc. 87	40	887 887 0 +07 12.01	Avco Fin. 1
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BONDTRADE INDEX AND YIELD Nov. 16 ... 90.58 Nov. 9 ... 90.17 10.36 10.48 High 79... 95.75 (1/2) 88.99 (30/1) Low 79 ... 90.02 (5/11) 80.50 (5/11)

EUROBONO TURNOVER Cedal Eurocia

 No information available previous day's price. † Only one market maker supplied a price.

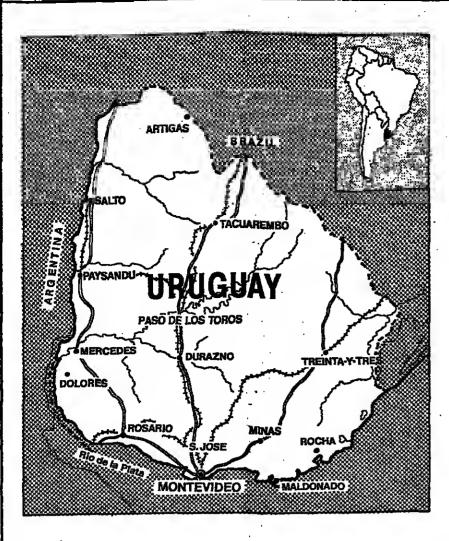
STRAIGHT BONDS: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week= Change over price a week earlier.

FLOATING RATE NOTES: Decominated in dollars unless otherwise indicated. Conpon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six month offered rate (three-month) for U.S. dollars. C.cpn=The currer' coupon. C.yld=The current yield.

CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Chg. day= Change on day. Cnv. date = First date for conversion into shares. Cov. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Per-ceotage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

The list shows the 200 latest international bonds for which an adequate secondary market exists. The prices over the past week were supplied by: Arab Company for Trading Securities SAK; Kredietbank NV; Credit Commercial de France; Credit Lyomais; E. F. Hutton Services SARL; Commerchank AG; Deutsche Bank AG; Westdeutsche Landesbank Girozentrale; Banque Internationale Lnxembourg; Kredietbank Luxembourg: Algemene Bank Nederland NV: Pierson, Heldring and Pierson; Credit Suisse/Swiss Credit Bank; Union Bank of Switzerland; Akroyd and Smithers; Bankers Trust International: Bondtrade; Banque Française de Credit Inter-national; Citicorp International Bank: Daiwa Europe NV: Deltec Trading Company: Dillon, Read Overseas Corporation; EBC; First Chicago; Goldman Sachs International Corporation; Hambros Bank; IBJ International; Kidder Peabody International; Merrill Lynch; Morgan Stanley International; Nesbitt Thomson; Salomon Brothers International: Samuel Montagu and Co.; Scandinavian Bank; Strauss Turnbull and Co. Sumitomo Finance International; S. G. Warburg and Co.: Wood Gundy.

Closing prices on November 16



BASICSTATISTICS	176,215
Total Land Area	120,684
Total Sea Area	2,851,963
Population	2,31,503
Demographic Growth	
Life Expectation at Birth	74
Literacy	
Ratio of Registration for primary Schools	97%
Ratio of Registration for Secondary Schools	47%
Ratio of Registration for University	
Number of People per Doctor	1,042
Number of People perbed in Hospital	1,390
Annual percapita income (USS)	
Average Temperatures (in Certitigrade)	Summer 25
Hours of Sun peryear	2,827
Inflow of Tourists in last 12 months	726,000
Size of neighbouring markets (in millions of inhabitants)	
Brazil .	110
Argentina	3
Paraguay	
Bolivia	

URUGUAY: AN EXPANDING ECONOMY

The Uruguayan economy has been growing, during the first half of 1979, at a rate of 8.6% in annual terms.

This is the consequence of a better use of the productive resources available in the country within the framework of a policy of liberalisation of the different sectors of the economy and the opening of the economy towards external markets.

Practically the whole of the extension of the country is arable land, suitable for agriculture and grazing, and with a very high degree of fertility. Hence, the agricultural sector provides a large part of the input for the manufacturing industries, of long-standing in the country.

However, the high degree of diversification of the industrial sector determines that this sector also has an import a large number of raw materials and intermediate goods not available domestically.

The complete freedom that exists at present regarding the inflow of all sort of goods from abroad, as well as the low rates taxing the imports of those goods allow for a fluid supply. Imports of raw materials and intermediate goods - excluding oil - represent half of the total

Manufacturing industries in the last years have been growing at rates of above 5% per annum, and the rate of growth for the industrial sector as a whole reached 11.5% in annual terms, in the first half of 1979.

Uruguay has also at its disposal abundant fishing resources. Fisheries develop at an extraordinary pace (83.8% p.a. in the first half of 1979). The volume of carching during 1978 reached 70,000 tons, and the estimates for 1981 are a production of 200,000 tons.

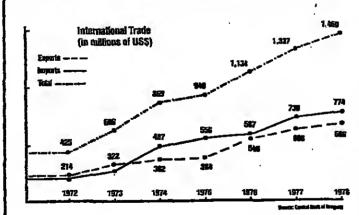
Investment and Human resources

This level of economic growth that Uruguay is registering now, is the result of efforts the country has been performing with regards to investment and general efficiency of the economy. As an average, during the last five years total investment in real terms has been 30% higher than the total investment made in the preceding five years. Investments in machinery and equipment have been facilitated by the complete liberalisation of the regime of imports implemented during the period, and the elimination of import duries on Capital goods.

As regards human resources, the volume of skilful labour force existing in the country has contributed to a very important degree in this process of growth. In the last five years total employment increased 7.3% and the labour force that has received on-the-job training has increased

Moreover these figures compared with the expansion registered by global production show a considerable increase in the level of productivity of the labour force.

Finally it must be emphasised that during the last five years the productive activities have been receiving an increasing volume of credit from the banking system.



Exports

The increasing rhythm of manufacturing and the fishing industry has been connected in the dynamic trend showed by exports. During the last five years, exports have been growing at the average annual rate of

This fact is more significant if one considers that the ratio of products with a high content of value added, to total exports has been growing

A clear example of this statement is offered by the leather industry at large. While in 1972, leather and hides represented 88% and only the remaining 12% were their manufactures, in 1978 manufactures of leather represented 75% of the total of the branch while plain leather and hides reduced their participation in 25%, in spite of the fact that the branch increased its level of activity in 40%.

The possibilities obtained to participate in the markets of Argentina and Brazil resulting from Commercial Agreements with these countries, provides Uruguay with further favourable conditions in export products to a potential market of 136 million inhabitants.

During the recent past construction has shown rates of growth higher than 10% per anount. For the first half of 1979 that rate, in annual terms, reached 17.8%.

This dynamic trend has been based both on public works related with infrastructure projects and works undertaken by the private sector.

The latter are located mainly in the capital city — both for dwellings and factories - and in its main seaside resort, Punn del Este, to cope with the increasing inflow of foreign tourists. Tourism represents an important source of foreign exchange for the country.

International Reserves

The amount of nearly 1.6 billion Dollars of international reserves in the whole of the banking system constitutes another remarkable aspect of the present situation of the Uruguzyan economy. 79% of these reserves are held in gold (this gold being priced at 300 US\$ the ounce).

The level of reserves has grown during the last three years at the average annual rate of 20%, as a result of a considerable inflow of foreign capital, which during the period, increased at an average annual rate of 27.9%.

This inflow of capital relates to:

- complete freedom for financial movements.
- free access in the exchange markets.
- existing levels of interest rates both in domestic and foreign currency, which are competitive with international levels. - freedom for the foreign investor in transfer both profits and
- principal at any moment. similar treatment for either domestic or foreign investor.
- a general climate of institutional stability, which in the end gives the support in the long continuity and permanence of the economic strategy and policies, and ensures that all the rights of the foreign investors will be respected and defended.

The solid position registered in the level of international reserves has allowed Uruguay to obtain better credit conditions in foreign markets, reflected in more favourable rates of interest and better general terms. Therefore, the country has sensibly improved the profile of its external debt and now more than 43% of its total has maturines beyond five

Public Sector

In the first nine months of 1979, fiscal results of the Central Government showed a surplus of 11.4% over total expenditure and the perspective is that the operations of the government will end in balance at the end of the fiscal year. This will be due to the higher degree of fiscal discipline and the increase in the levels of efficiency in public administration.

Process of Change

During the process of change of the structure of the Uruguayan economy which is under operation, and which is aiming to establish the base for a sustained growth, two main stages can be defined.

The first of them tried to overcome the stagnation of the economy and the crisis in the external sector, two factors registered during a long period before the start of this process of change.

The prevailing framework for this effort was a model of liberalisationand of a more external-orientated economy.

At present, the government considers that first stage already achieved. The economy is showing a persistent rate of growth (which, as already mentioned reaches 8.6% in annual terms for the first half of this year); the balance of payments has shown continuous surplus, with the consequent increase in the level of reserves; exports and imports have increased considerably and the latter have allowed the adequate supply of inputs and capital goods needed for the development of productive activities; and an important progress has been done in the liberalisation. of the system of prices, allowing a better functioning of the free-market

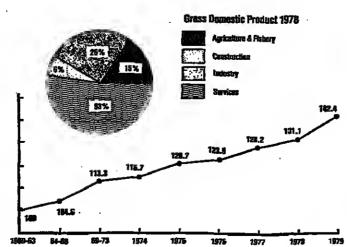
Perspectives

For the coming years it will be necessary to deepen this process, asking for a higher degree of efficiency in both the public sector and the private sector, and restructuring the factors influencing these aspects in order to bring the system to a more organic and dynamic functioning.

With regard to the private sector, the government will continue with the process started in 1974 of reducing the general level of tariffs on

In this respect, a clear programme for the reduction of tariffs has been approved. This reduction will place tariffs, at the end of a period of five years, at a level compatible with the objective of defining a degree of domestic productivity similar in that existing in international markets.

As for the public sector, important achievements for a higher efficiency have already been obtained, by means of decisions tending to a better allocation and use of its resources.



The government has now under study further changes concerning the sector as a whole. During 1979 a new law has been approved containing important measures which define a global policy for public current expenditure and public investment. This will allow the elimination of fiscal deficit, as is already happening for the results of 1979.

At the same time, during the past period the tax system has been simplified both regarding taxes on domestic activities as well as on imports, and following this process of change, the government is also considering a better adequacy of the tax regime to the new structure of the economy that will emerge from the new global strategy. One of the main aspects of this future regime will be the reduction of fiscal pressure on the economy as a whole.

There is a well known fact, specially in the economic fields, that it is impossible to achieve a large quantity of goals in the short term at the same time, since they can be contradictory at that moment.

This determines the necessity of establishing an order of priorities, and the revolution of some of those goals as long as others are being

As it has already been pointed out, one of the priorities of the economic authorities in the recent past was the increase of the level of international reserves, in order in allow the country to place itself in a more appropriate standard in the international financial markets, and also to give the Central Bank the possibility of maintaining a policy of fixing exchange rates.

Having consideration that the rhythm of inflation would challenge in the long run the process of economic growth, a policy aiming to reduce its pace was implemented. It was based on a monetary, fiscal and income discipline.

This policy rendered possible the reduction of the considerable rates of inflation registered in the past, bringing them to more acceptable levels, which nonetheless were still considered high.

It must be pointed out that during this time the objective of increasing the level of international reserves — which was given priority "vis a vis"



the reduction of inflation created problems with the expansion of the money supplied and limited the achievement of lower rates.

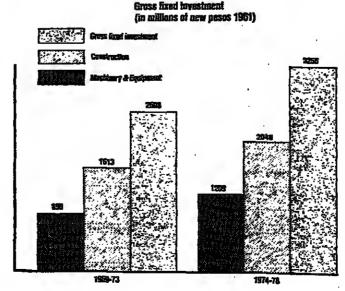
During 1979 the rhythm of inflation has once again accelerated. Different pressures originated both in domestic and foreign markets renewed expectations and further important increases in the levels of reserves made the control of the money supply very difficult hence pushing prices up.

With the establishment of a solid and sustained trend of economic growth, and having overcome the crisis in the external sector, the government has recently revaluated the anti-inflationary objective. In this respect special attention is being given to the foreign exchange policy while the monetary and fiscal policies are orientated to keep the balance of payments in equilibrium.

The government is aware of the important role played by expectations in the behaviour of economic agents, and specially in their impact on the levels of inflation. In this respect, it has consolidated a policy aiming to assure the adequate trend of certain economic variables with important influence on the development of expectations.

MAIN ELEMENTS IN THE ECONOMIC POLICY

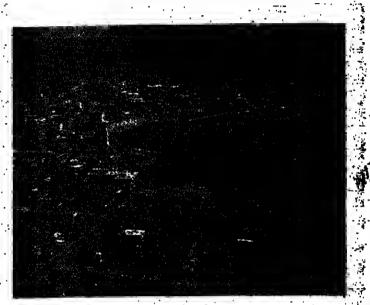
A sustained rate of growth in the productive sectors, a substantial increase in the levels of exports and a solid position in the balance of payments are the more notorious achievements of the present economic



These results are accompanied by a remarkable expansion of the levels of investment, both private and public, rendered possible by the considerable increase of domestic saving and the important inflow of foreign capital,

On the other hand, the fiscal operations of the Central Government have succeeded in substantially reducing fiscal deficit, and the estimates are that the fiscal year of 1979 will show an equilibrium of the accounts.

Together with this reactivation of the economy, special importance has been given to the achievement of higher levels of efficiency both in the private and the public sector. Important progress has been already made in this direction within the framework of a model of liberalisation and of opening of the economy, which is stimulating the functioning of the mechanisms of the free market and giving the export sector a relevant role in the strategy for development.



Liberalisation, Opening of the Economy and Growth

The new model of economic development for Uruguay was meant to improve the private sector, revitalizing the instruments of the market in order to allow a more efficient allocation of productive resources.

In this respect, access to the foreign exchange market is free, anybody able to make deposits and open credits both in domestic and

At the same time, prices of goods and services which in the past were administered, have been gradually liberalised.

Also wages and salaries have been gradually liberalised: compositive increases determined by the government, which in the past had to coincide with those effectively granted, define at present the minimum level, being entrepreneurs able to give increases above the legal minimums.

The reactivemon of e economy within the tramework of orientated policy follows two main considerations:

a. Uruguay had registered during many years persistent sugnation of its production, as a result of the exhaustion of the importsubstitution strategy adopted in the past. This model had orientated production to a domestic flucket, of reduced dimensions, within the context of high levels of projection.
b. In order to stimulate the economy, it was necessary to integrate Uruguay in the international infukers by means of stimulus on export-orientated productive sectors.

The result of all this process has been the reactivation of the economy in general by means of the growth of those export-orientated productive sectors, a large increase in the volume of transactions with foreign markets and the subsequent rise of the levels of international reserves at the disposal of the country. This rise allows a normal supply of foreign goods and commodities and hence an improvement of the levels of ... investment in the different sectors.

At the same time, all the administrative procedures applied to imports have been simplified and rationalised and a general reduction of the tariff protection is in process.

In this way, domestic prices will have to come closer to international prices and therefore the sectors will have in improve in their levels of efficiency if they want to remain competitive.

Balance of Payments and International Reserves

The continuity of the growth requires an adequate supply of raw materials and capital goods, specially important because of the long period of stagnation of the economy in the past has meant a disincentive to investment and the subsequent lack of modernisation of productive sectors in terms of machinery and rechnology.

Given the high dependence of the country on external markets for the provision of certain basic supplies - including oil - and capital goods, the economic authorities foresaw as inevitable a deficir in the current account, which had to be financed by the capital account of the balance of payments.

This inflow had also to be increased by the needs of the development of a solid level of international reserves which should facilitate the country to join the world financial market in a more adequate way.

The implementation of the general strategy in the financial sector meant the opening of the foreign exchange market for financial purposes in 1974 that was followed in 1976 by the liberalisation of the rates of interest which therefore moved to more competitive international levels.

Role of the Public and Private Sectors

to the private sector.

The present economic strategy of Uruguay gives an important priority in the private sector. The government intends to revitalise the mechanisms of the market which in the last instance will orientate the decisions of entrepreneurs and result in a more efficient allocation of productive resources.

Under this scheme the state has also an important role which is to create institutions able to assure a proper functioning of the market. It is not however the "paternalism" of the past and the entrepreneur

will have to take his own risk. Another two aspects to consider regarding the role to be played by the public sector in general are the needed schievement of an equilibrium in the operations of the Central Government and the increase in the levels of its efficiency, which must follow similar patterns to those demanded

In this latter aspect even though the government has been aware of the need of a certain period of time for this general improvement, it sheady has reached important targets in terms of rationalisation of public enterprises, and in the denationalisation of those enterprises the government. considered out of its normal responsibilities.

With regards to the Central Government, several measures concerning fiscal discipline and administrative reorganisation have been introduced, as well as measures simplifying the tax and collecting

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VIII	· · tions Show and Cor	nference (01-437 067	8)
ec. 10—15	International Physics E	xhibition (01-439 39	64)
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31	JS	INES	S AND MANAGEMENT (CONFERENCES
			Acquiring a Small Business Computer (01-580 7179)	Waldorf Hotel, WC2
٥٧.	20-	-21	EVDG: Resources for Electric Vehicles and Their	RIBA, W1
			Financial Times: Air Transport in the Developing	Singapore
			Financial Times: Industrial Relations—Establishing a Framework for the 1980s (01-236 4382)	Grosvenor House, W1
			College of Marketing: Economic Prospects for Consumer Markets in 1980-81 (06285 24922)	Hilton Hotel, W1
-		•	4414)	Portman Hotel, W1
			unwary (01-242 2481)	Cavendisb Conf. Centre, W1
'			BIM: Management Remuneration and Benefits (01-405-3456) Inducon: Scottish Salary Administration Seminar	Kensington Close Hotel, WS
			(041-221 0792) Employing Foreign Executives in Belgium	Albany Hotel, Glasgow
			(01-242 2481) CCC: Property and Portfolio Investment in U.S.	Brussels
			(01-222 6362) IPS: The Buyer Meets the Seller (petrochemical	Inn-on-the-Park, W1
			industry) (0990 2371) London University: Introduction to the Hardware	Connaught Rooms, WC2
			and Software of Microprocessors (01-636 4514)	Senate House, WC1
			MML: Seminar for solicitors and accountants—a layman's guide to the microcomputer (01-247 0691)	Hilton Hotel, W1

Osaka. Basle

Parts Singapore Paris

Olympia

Harrogate

Olympia

Harrogate

Olympia Earls Court

Paris Paris Frankfurt

Basle

Brussels

Zurieh

Dusseldorf

NEC, Birmingham

NEC, Birmingham

Wembley Conference Centre

Royal Horticultural Hall Metropole Exb. Hall, Brighton

Wembley Conference Centre Earls Court

Bahrain Cannes Dusseldorf

to be built

the Unilever specialised chemicals subsidiary, is to build an £8m plant at Warrington to produce precipitated silicas and silicates. The additional facilities will start production in about two years time, giving Crosfield a capacity of up to 30,000 tons a year. Main con-tractor for the project is Matthew Hall Norcain Engineer

closely related aluminium and calcium silicates are used as reinforcing fillers for rubber and in mastics and similar pro-ducts. Precipitated silicates are used in emulsion paints to improve opacity and whiteness.

The week in **Parliament**

TODAY COMMONS-Civil Bill, second reading.
SELECT COMMITTEES—Pub-

lic Accounts; taxation of earn-ings of offsbore employment and taxation of woodlands. Witnesses: Inland Revenue, 4.45 pm. Room 16.: TOMORROW

COMMONS—British Aerospace Bill, second reading. Charging Orders Bill.

LORDS—Bail (Scotland) Bill, committee. Hypnotism Bill, committee. Short debate on energy programme and nuclear

SELECT COMMITTEES-Parliamentary Commissioner for Administration. Witnesses: Commission for Local Administration in Wales. Commissioner for Local Administration in Scotland, 5 p.m. Room 6.

WEDNESDAY COMMONS-Debate on

LORDS-Short debate on deterioration in the use of the English language. Short debate on need for a National Youth Service. Sbort debate on plans to integrate chiropractice into the National Health Services. SELECT COMMITTEES-Public Accounts. Subject: National Oil Account. Offshore Petro lenm Production Licensing and Government participation. Wit-nesses: Dept. of Energy. 4 p.m.

THURSDAY

COMMONS-Supply day debate LORDS-Insurance Companies Bill, third reading. Milk (Extension of Period of Control of Maximum Prices) Order. Bill of Rights Bill, committee.

FRIDAY COMMONS-Private Members'

Silicates plant

JOSEPH CROSFIELD and Sons,

Precipitated silica and the

BE IN THE RIGHT PLACE.



opposite the palais des congres and the air france terminal between the champs elysees and la defense: The Meridien Paris.



81, bd Gouvion-St-Cyr 75017 Paris - Tél. (Intern. 33.1) 758.12.30 - Télex 290952 cáble Horner.

MAIN DEVELOPMENTS OF THE ECONOMY

The international crisis which occurred in 1973 affected the country both through the general increase of the prices of imports - mainly oil and through the reduction in the prices of beef and wool - the main items of the traditional exports of Uruguay. This aspect was worsened by the subsequent ban on imports decided by countries which represented traditional markets, for Uruguay, as a result of deepening of protectionist policies in those countries.

Productive Activity

In face of this international situation, Uruguay decided to modify its growth strategy - which gave priority in the development of traditional activities - and placed the emphasis on the non-traditional sectors. The positive results of this change of strategy start m emerge mainly this year, and the growth of G.D.P. registers during the first half of the year an increase of 8.6% with respect to the same half of 1978.

This figure represents an exceptional increase with regard to traditional standards of the country, which during the fifteen years from 1959 to 1973 only grew at the average rate of 0.8% p.a.

It also exceeds very significantly the relatively important average rate registered in the last five years, of 3.2% p.a.

Gross Domestic Product by Sectors (Completive engus) rates of growth by neriod)

(Cam	threat at three ser	-4 fe	,
	1969-1973	1974-1978	1979 ⁽²⁾
Agriculture	2.8(=)	0.3	2.8
Fishery	8.4	32.5	83.8
Manufacturing	1.5	5.3	· 11.5
Construction	-0.2	10.6	17.8
Services	1.0	2.4	7.1

(x) First half of 1979 over First half 1978 (xx) This figure is not representative because of the irregular character of the year-base 1968, during which the production suffered an important slump with regard to the levels of preceding years. For

the period 1970-73, the cumulative rate reduces in 0.1%. During this process of growth, manufacturing industries, fishery and construction, developed into the most dynamic sectors. Because of its high share in mtal G.D.P. (26%), manufacturing was the sector with the main impact in global growth.

The approval of the Law of Industrial Promotion represented an important factor to stimulate manufacturing activities. The law grants those projects having been declared of National Interest the possibility of access to credit in more favourable terms, and the exoneration of a large part of the taxes borne by the activities in general. It is important to notice that this benefit applies both to national and foreign

Another benefit for industries was the exoneration of import duties on capital goods required by the process of investment.

The dynamics of the manufacturing sector at large was mainly based on export-orientated industries, as a consequence of the general strategy adopted. In this respect it is worth mentioning the sub-sectors of leather and hide industries, and textiles. During the last five years they grew at cumulative annual rates of 19.1% and 9.4% respectively.

Also foodstuffs, rubber, chemicals, and paper were areas of high level of activity because of the increasing possibilities for their production in

Construction was another very dynamic sector, undertaking important projects both for the public sector (energy, natural roads) and private

Fishery, which has been promoted fundamentally since the approval of the National Plan of Fishery Development, has been growing since 1975 in an extraordinary way. The volume of nominal catching tripled between 1974 and 1978 hence, increasing from 16,000 to 70,000 tons.

In Agriculture, during 1979 the first positive signs of the response to the measures adopted in August 1978 concerning the sector are starting to emerge, and livestock registers an annual rate of growth of 5.9% during the first half of the year.

This area of activity had not followed until now the rhythm of growth of the rest of the areas, and the main reason for its virtual stagnation was that the sector had not benefited from the general process of liberalisation implemented in other areas. The reason for this apparent omission was the difficulties involved because of the complexity of the prevailing legislation.

During August 1978 the government adopted a set of measures tending to eliminate the effective negative protection suffered by the sector, mainly in the area of beef production. The producer was receiving prices below international levels and at the same time was paying for his input prices above those levels.

Basically the measures established: - liberalisation of cattle and beef.

- freedom m establish slaughtering plants all around the country, for

the domestic supply, exports or both.

- import of tractors with the minimum import surcharge.

All these measures, together with the recovery of international prices of beef and wool which is under way will increase the levels of profitability of the sector, and this fact will stimulate further investment and successive rises in the volume of production in the medium term.

This process of economic growth which is being described has also been rendered possible through increasing levels of investment. In the last five years, the average annual amount of investment was 30% higher in real terms, than the average annual amount invested in the preceding five years. This is the result of increases of the order of 27% in construction, and 35% in machinery and equipment.

These higher levels of investment were financed by means of both domestic and foreign capital.

Since the general liberalisation of the economy, interest rates reached higher levels and in real terms they became positive, bence stimulating

On the other hand positive rates on loans reallocated investment in more profitable areas, and eliminated subsidised credits which financed inefficient activities.

Deposits of the private sector in the commercial banking system constitute a good indicator of the trend of domestic savings. These deposits, in real terms, more than doubled during the last five years.

At the same time, that bigger inflow of resources to the banking system rendered possible a higher volume of credit. Hence, the total amount of credit advanced by the banking system to the private sector rose in real terms by 42%. This fact is more remarkable if one considers that more than 70% of that total amount goes in the goods producing sectors.

The option of implementing the adequate level of investment required by this process of growth meant an increased effort in domestic saving. This effort was reflected in a change in the share of consumption and investment in the total domestic demand. Consumption decreased its share of the total, from 88% in 1973 to 81% in 1977, while investment

This downrum in the share of consumption reflects a deterioration in the levels of real wages and salaries, which during the same period was reduced about 20%.

This fact was one of the most important social costs on the shoulders of the society at large introduced by the changes in the economic structure.

However, the results achieved in terms of economic growth had allowed this persistent deterioration to stop and from 1978 consumption started to improve, registering an increase of 5.4% with respect to the previous

of foreign capital, which enjoys similar regulations that apply to domestic capital. Furthermore, the general climate of institutional stability assures that all the rights of investors will be protected and

The big inflow of capitals from abroad implied an increase in the amount of foreign debt. However, at the same time and because of the dynamic trend of exports the economy saw a sensible reduction in the total debt-exports ratio.

While during the period 1969-73 external debt amounted for two and a half years of exports, in the period 1974-1978 the ratio reduced to two years and for the present year estimates are of ooe and a half.

At the same time during this period the profile of the foreign debt has been improving considerably, as a result of the degree of confidence existing in the international market with regard to the economie and financial situation of the country. At the end of 1973 debt with maturity beyond 5 years represented 20.8% of the total, and at the end of 1978 this net was representing 43.2%.

Together with improvement of the profile, the country has benefited from better general terms including rates of interest.

Foreign Trade

The period 1973-1978 registered a notorious improvement in the opening of the economy and the amount of transactions increased 140.9%. The increase for the period 1967-72 reached 29%.

This increase in trade is due ma rise of exports of 113.4% and a rise of imports of 171.9%.

Non-traditional exports showed the highest rhythm of performance allowing not only a bigger diversification of the sector as a whole hence diminishing the vulnerability of the economy - but also the development of activities with higher share of valued added. This, in the context of a progressive improvement in the levels of efficiency. From 1973 to 1978 non traditional exports grew 409.2%, while traditional exports remained practically unchanged. This meant a shift in the pattern of total exports, and non traditionals which represented 27% in 1973, represented 64% in 1978.

50% of noo-traditionals are constituted by hides and skins, manufactured leather, textiles and shoes. These sectors use inputs produced domestically and have grown well above the average rate. During the period 1973-78 under consideration, textiles expanded

635.9%, shoes 1881% (the highest rate) and hides and skins and their manufactures 425.3%. It is also worth noncing that in this last item, the growth is due to the activity that incorporates more value added, that is manufactured leather, which grew 1721%.

Fishery is another very dynamic area of exports, and the volume of activity of this area represents now 5.2% of the intal of non-traditional

Other areas of high dynamics are cirries, rice, cement, rubber tyres, chemicals, plastics, and electricals.

The growth of export activities had to be promoted by means of a regime of riscal and credit facilities which supported their development and penetration in foreign markets, since in general they started with levels of inefficiency and had to bear at the beginning a high burden of taxes and tariffs originated in the inefficiency of the public sector.

All these facilities have been gradually reduced, since the idea has been of using them as instruments of initial promotion and not a permanent regime financing permanent inefficiencies.

Traditional exports have remained practically unchanged during 1973-78. This situation emerges from two main facts, one domestic and the other from external origin.

The external fact is the general crisis the world economy has been suffering since 1973.

The domestic fact has been the general level of stagnation registered in the agricultural sector, and which at present has been solved with the measures approved in 1978.

With regards to exports of beef, while during 1967 to 1973 prices in the international markets were continuously increasing, in 1975 and 1976 these prices suffered an important downturn.

only from 1977 to 1978 prices started to recover partly even though in 1978 they still remained 35% below those obtained in 1974. However, the average volume of beef exports in the period 1973-78 were a bit higher than those corresponding to 1967-72.

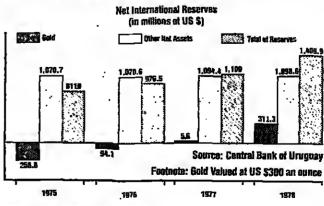
Wool suffered a similar process, and the critical year was 1975, when the downturn of prices was more than 40% of the prices of 1973. The present recovery of the level of prices has been reflected in a rise in the volume of exports at the end of the period.

As for imports, from 1973 to 1978 they showed an increase of 171.9%, compared to an increase of 23.4% from 1967 to 1972. Even though this expansion meant a persistent trade deficit since 1974, it is worth noting that these deficits are largely explained by the increase in the price of oil, - which meant a quadrupling of the total amount paid for it -, as well as for the enormous increase of imports of capital goods and

In this respect it has to be pointed out that the economie authorities were aware of the increase of the deficit, which was justified by the needs of the economy to increase its level of productive equipment. Besides, the solid financial position registered in the balance of payments allowed for the existence of that deficit.

As a result, oil has considerably increased its share in the total of imports, and from US\$ 55 millions in 1973 which represented 19.3% of that total, shifted to US\$ 219 millions in 1978, which represents 28%.

Capital goods have recorded the highest increase in the period shifting from US\$ 22.3 millions in 1973 in US\$ 103.2 millions in 1978. This figure is even lower than those corresponding in 1976 and 1977, given the even higher levels of imports during those two years of US\$ 117.2 millions and 137.7 millions respectively.



International Reserves

The deficit registered in the current account of the balance of payments has been more than compensated by the inflow of capital (from 1977 to 1978 increased 41%). This has also allowed an important increase in net international reserves.

In the years 1974 and 1975, the deterioration of the terms of trade had resulted in important losses of reserves. Since 1976, the solid situation the country has traditionally presented in terms of gold reserves has been complemented by an improvement in the amount of other reserves, both by a substantial rise of the reserve assets as well as by an important reduction of the liabilities occurred in 1978, basically as a consequence of the cancellation of financial obligations with I.M.F.

In the first half of 1979, the level of net international; reserves had increased by US\$ 160 millions. Hence the total of the reserves of the banking system represented approximately two years of imports.

Public Sector

Since 1976, the Central Government has been recording permanent improvements in its operations. During the last three years, total revenues in real terms have been growing, basically as a result of more efficiency in the administration of taxes.

As regards to expenditure, between 1976 and 1978 current expenditure in real terms practically have remained unchanged.

Investment expenditure, on the other hand has registered an important. increase, mainly due to the hydroelectric projects and the improvement of the national roads network.

Oil related companies setting up in Scotland should head for the Middle East.

Because there you'll find the Tayside Region, home of quite a number of perceptive oil support companies as well as a broad spectrum of business from light engineering to pharmaceuticals, from small entrepreneurial businesses to giants, like General Accident in Perth, Low and Bonar in Dundee and Halliburton in Angus.

Most companies have come to Tayside for three reasons. Communications, environment and skilled labour.

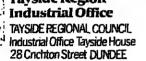
First, the region straddles Scotland's busiest lines of communication. From here you can move to all points of the compass, by rail, by sea, and by the newly

Second, not only is Tayside easy to get to, there are few places in Britain with such an equable environment in which to live and work.

Third, we have an ample supply of skilled, willing and ameriable labour. In short, Tayside offers a package that has been attracting major companies for years. We're hungry for more and, as an added incentive, parts of the region can offer substantial financial assistance to incoming businesses.

For further information write to the Development Officer.

Tayside Region -- Industrial Office



WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interims or finals. The sub-divisions shown below are based mainly on last

BOARD MEETING

Williams

Interest Rate Changes

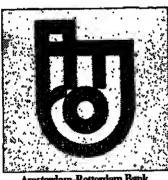
Williams & Glyn's Bank announces that with effect from 16th November 1979 its Base Rate for advances is increased from 14% to 17% per annum.

Interest on deposits at 7 days' notice is increased from 111/2% to 15% per annum.

ERRATUM

Amendment to Investment Trust Table published 16th November. 1978. Carliol/Tyneside Group Col. 4 (Date of Valuation) should read 31/10/7

Ebic: The combined experience of seven major international banks of Europe.









Société Générale de Banque



Wherever you are and whatever your financial needs, the chances are we can help you.

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In Asia, European Asian Bank, in Hong Kong, Indonesia, Korea, Malaysia, Pakistan, Singapore, Thailand and The Philippines.

Also specialised financial services are provided by Banque Européenne de Crédit in Brussels and European Banking Company in London.

In the UK Midland Bank is the Ebic shareholder you should talk to.

Finance for business wherever there's business.

CONTRACTS AND TENDERS

The Workers' Council of the Communal Organisation of Associated Labour for Water Supply and Sewer System "VODOVOD"—full liability company—Cacak, Vojvode Stepe Str. No. 8 is announcing

THE INTERNATIONAL PUBLIC COMPETITIVE BIDDING FOR CONSTRUCTION OF:

Waste water main sewer on the left bank of Zapadna Morava River. Tender U8/1

Pump stations "Ljubic-Polje" including force main (civil-engineering" and electrical part), Tender U8/2

WORKS TO BE TENDERED: (1) Waste water main sewer, length 2,720 metres, of asbestos cement pipes dia. 600 to 800mm.

(2) Pump Station "Ljubic-Polje" (civil-engineering part, including electricity supply and connection to the transformer station located on the right Zapadna Morava River bank) and the force main dia. 400 mm of steel pipes to be laid in the Zapadna Morava River channel, at a length of 235 metres.

The pump units for the pump station of Timbic Police."

The pump units for the pump station Ljubic-Polje" are procured by the Employer.

Cacak, from Brace Kovacevica Street to the bridge on the by-pass road i.e. to the site of the future pump station, crossing the Morava River at 100 metres upstream of the existing bridge.

COST OF WORKS: The estimated cost of the works:

Waste water main 'sewer Pump station

16,500,000.00 Dinars 8,500,000.00 Dinars

TIME FOR COMPLETION
Time for completion is 210 days from the date of receipt of order to com-

CLOSING DATE FOR RECEIPT OF TENDERS
The tenders will be submitted within 45 days from the date of announcing the present invitation for the international public competitive bidding in the "Yugoslav Official Register" for the tenderers from Yugoslavia, and within 45 days from the date of announcing the present invitation for international public competitive bidding in the journal "Financial Times" for the foreign tenderers.

CONDITIONS FOR ASSIGNMENT OF CONTRACT
The Tender shall be considered for assignment of the Contract if it is submitted as called for in the Tender Documents issued by the Employer, prepared fully in compliance with the instructions given in the Tender Documents and accompanied by the evidence on the company registration, references of the company, certificates on successfully completed contracts and financial status of the company for the year 1978. The time for completion of the works shall be stated in the tender.

The Employer does not bind himself to accept the lowest tender. The tenderer shall be considered more successful if he offers construction of both waste water main sewer and pump station, fixed price and shorter time for completion and if he supplies the evidence on the technical capacity of his company, available constructional plant and the qualified personnel.

RIGHT TO PARTICIPATE IN BIDDING
The right to participate in the bidding procedure goes to the companies from the countries which are the members of the International Bank for Reconstruction and Development (LB.R.D.) and from Switzerland. The works being the subject matter of the present international public competitive bidding shall be co-financed by the International Bank for Reconstruction and Development. struction and Development.

The decision on assignment of the Contract shall be made within 7 (seven) days from the date of opening of tenders. The tenders shall be opened at the Employer's offices. The exact date and hour of opening the tenders shall be communicated to the tenderers who purchased the tender

documents in a due time. DESIGN DOCUMENTS The design documents for the works which are the subject matter of the present international competitive bidding are made out by ENERGOPROJEKT, Hydrotechnical Consulting and Engineering Division, Beograd. The design documents can be inspected at the Employer's offices on every working day, except Saturdays, from 7.00 a.m. fill 3.00 p.m. Telephone information is available on telephone number 032-43-095.

The tenders shall be received if they are made out on the tender forms provided for in the Tender Documents which can be obtained:

At the offices of "Vodovod", Cacak, Vojvode Stepe Str. No. 8, against the charge of 5,000.00 Dinars payable to the charge of cacak, No. 61300-601-1076 held with the Government Auditing Office, Branch Office Cacak, for the fenderers from Yugoslavia,

At the offices of "Energoprojekt", Beograd, Zeleni Venac Str. No. 18, Bureau for Industrial and Sanitary Engineering, IV floor, telephone number 011-627-522/433 against the charge of US \$ 200, payable to the current account of "Energoprojekt" No. 60871-826-58-25/30-221-10-9-1074 held with the Yugoslav Bank for Foreign France Beograf, feet the foreign trades and seed to the foreign trades and seed trades and seed to the foreign trades and seed trades and seed tr the foreign tenderers

FINANCIAL TIMES SURVEY

Monday November 19 1979



Italian Banking and Finance

For all its alleged deficiencies, Italy's banking system has proved one of the more robust sectors of the economy. As the weight of world recession increases it is once again being asked to shoulder much of the burden.

Back to familiar **Exercisis**

By Rupert Cornwell

HE ITALIAN economic sky ight now is decidedly dark gain. For more than 12 months, o to this autumn, the country ad enjoyed a respite from the eemingly endless string of rises since the early 1970s. The ira was the early pacemaker in he newly fledged European ionetary System (EMS), the alance of payments one of the trongest in the industrialised rorld, trade was almost in the lack, and inflation bad dropped y the end of 1978 to the espectable (by Italian stan-ards) level of 12 per cent. And il the time the economy had een gathering steam, with the rowth rate this year forecast t between 4 and 4.5 per cent. Indeed the Indicators at least uggested a fleeting return to be almost forgotten days of two ecades back, and the original alian "economic miracle." But re Indian summer is over, as

suddenly as it began. That the change in outlook has been so swift and in many respects so depressing is in large measure due to the fact that the inbuilt economic failings which brought the country to its knees threa years ago were merely masked, and not removed, by the brief return to virtue.

Italy faces the new oilinduced world economic slowdown, burdened by the old familiar difficulties profound social and political tensions, the entrenched evils of a swollen and often uncontrollable public sector and State borrowing requirement, and rapidly rising labour costs which erode the country's international competitiveness and keep domestic inflation at, or among, the highest in Europe.

As successive articles, in this survey will show, Italy's banking and financial systems are conditioned by, and in some respects epitomise, these structural problems. But once again monetary and credit policy, applied through that same bank-ing system, are likely to be the main weapon employed by the anthorities to control the economy.

Sig. Guido Carli, the former Governor of the Bank of Italy, used to describe this method of economic management as "a bit like driving a car with only the accelerator and a brake." But the inefficiency of the country's bureaucratic and administrative machinery, and the weaknesses of so many Italian Governments, bas, left Jittle choice. That state of affairs is truer than ever today."

The present Christian Democrat-led Government of Sig. Francesco Cossiga is explicitly designed to provide only a stopgap until a more stable solution can be found. Admittedly Italy is a country where the temporary has a habit of becoming permanent, but the general dissatisfaction with the present formulas is such that Sig. Cossiga's Prime Ministerial life expectancy is unlikely to exceed six months.

Redoubts

Paradoxically though, the system, The Christian Demosince the war, bave long seen the top public sector banking jobs as key redoubts of their But the intrusion moved on

to a different plane last March, when the Bank of Italy itself, one of the very few institutions with any independence and a reputation to lose, itself feil victim of an onslaught whose political motivation was unmistakeable. Charges were brought against both the then Governor. Dr. Paolo Baffi and his deputy director general Sig. Mario in connection with Sarcinelli, allegedly irregular subsidised loans directed to the Societa Italiana Resine (SIR) chemical

over his post to Dr. Carlo Ciampi — in accordance with his previously annuunced intention of stepping down by the end of 1979. But it remains to be seen bow much damage has been inflicted on the morale and working of the bank, which under Dr. Baffi often seemed to bave dragged Italy back from the brink of financial disaster almost singlebanded.

In terms of policy the change of Governor seems to bave made little difference. The central bank, in Dr. Carli's terminology, is applying the brakes, but so far fairly cautiously. That failure of the politicians to indeed is only to be expected, provide the country with a pro- now that the prime task of perly working government bas economic management is somenot prevented a mounting bow to reconcile the need to encroachment into the banking preserve external equilibrium and currency stability by curbcrats, who have ruled Italy ing inflation, with that of preventing a certain economic downturn in 1980 becoming an outright recession.

In most respects the country faces the forthcoming awkward period in much better shape than before the buffetings of 1974-1977. Externally there is room to manoeuvre. Admittedly September produced a balance of payments deficit of L589bn (\$708m), the largest for more tban two years. But the out-turn for 1979 as a whole is still

All ontstanding debts to the International Monetary Fund bave been cleared, and total official reserves today stand at little sbort of \$40bn. Although The accusations were denied, there has been some anxiety Higher raw material costs, mined the finances of Italian borrowing ahroad by Italian its partners in the EMS and indeed in September Dr. over the lira's position within especially of oil, have conindustry, and sound private bor-corporations, which would auto-begin to weigh heavily Baffi, reputation and dignity the EMS, it is still faring per-tributed to the spurt in prices rowers have often risked being matically have the effect of lira is another matter.

completely unimpaired, handed fectly respectably. Above all, ture of the economy. It seems highly probable that the remarkable buoyancy of Italian exports reflects the evergrowing importance of small medium companies (some even in the notorious "submerged"

or black economy), and their formidable qualities of flexi-bility and efficiency.

At the same time imports usually so prone to rise sharply in times of economic expansion have been kept under control —thanks, in some measure, it is believed by both central and commercial bankers, to more professional stocks management. often by those same small and medium-sized companies.

upshot is that the Government is aiming for a 2.5 per cent growth rate in 1980barely half, it is true, that of this year, but more or less in line with the international average. That then is the bright side of the picture.

The central problem remains

inflation, which after dropping to 12 per cent as an annual rate, is now running at around 1.5 to 2 per cent per month. By the end of the year the annual advance will have been cent or more, and although the budget forecasts issued on September 30 contain a target of slightly under 15 per cent for 1980, this goal Higher raw material costs,

perbaps, competitiveness surcess has been fuelled and rendered by higher domestic amplified by those inherent inflation has been in part made structural weaknesses mengood by changes in the structural change earlier. Excessive public spending, above all current expenditure, has merely injected demand into economy, while generating little extra output. Huge sums of money are poured into chronic-

elly weak and indebted public

enterprises.

Stemming from this is an enormous enlarged public pnblic sector deficit, put at L40,000bn (\$48bn) or approximately 16 per cent of Gross Domestic Product. Sig. Filippo Maria Pandolfi, the Treasury Minister and author of the sbort-lived plan bearing his name covering the next three years, pledged at all costs to bold this line. But wbether a government as weak as the present one will prove able to resist

demands for extra spending,

particularly from a more mili-

tant union movement, is clearly

open to doubt. Its performance

Undermined

so far is not encouraging.

But even if the deficit is beld to L40,000bn the cost will be enormous. Deficit financing on this scale, coupled with the need to try to give savers a decent return, has kept interest rates much too high for much too long for the bealth of the economy. Massive borrowing may well prove over-optimistic. charges bave seriously under-

public ones.

The absence of an effective market and of any mecbanism to provide risk capital bas meant that private borrowers bave little choice but to borrow from the banks. Yet the public sector in one shape or another devours 65 per cent of total credit available. Not surprisingly, a low rate of investment and of research spending are among the most serious longer-term question marks over Italy's economic future.

money will become even more expensive in the months ahead. Early in October the Bank of Italy raised its discount rate from 10.5 per cent to 12 per cent, partly to signal its intention to use credit policy to fight inflation but, more important, to align sbort-term domestic rates with those abroad, thus discouraging Italian borrowers from repaying more expensive keeping the country a sufficiently attractive bome for

foreign funds. In quick succession the commercial banks lifted their own prime rate" by 1.5 per cent to 16.5 per cent, and the central bank announced an extension of the credit celling on bank lending in lire which implies a moderately severe squeeze notil the mid-eightieshoping for is an increase in

should the lira come under any

yet seem convinced, however that the worst is over. Difficulties in disposing of all the Treasury bills on offer at the routine October auction mechanism roughly correspond ing to Britain's gilts market) suggest that expectation of still spread. The latest spate of international interest mate increases-in the U.S. Germany Moreover, indications are that and Japan-can only reinforce this feeling.

A clearer picture will only emerge once the Washington measures to clamp down on Euromarket borrowings by U.S. borrowers takes effect. These could help take the pressure off European rates, at a time when credit demand will be feeling the first impact of the general economic slowdown and when attention is turning currency loans and increasingly towards supporting demand and investment.

Italy in any case looks far better equipped to withstand any rough ride ahead than she was a few years ago. As the terms of tatest Euromarket borrowings suggest, the "Italian risk" (that portmanteau word for unquantifiable dangers of political - cum - social - cum credit economic breakdown once so beloved of international assuming Inflation continues at bankers) is no longer heard. the expected pace. One conse-But whether the steadily quence the central bank is increasing differential between inflation in Italy and that of borrowing ahroad by Italian its partners in the EMS will not begin to weigh heavily on the

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CASSA CENTRALE DI RISPARMIO V.E. PER LE PROVINCE SICILIANE

Task of rescuing industry

problem are such that it is not surprising credit institutes have so far shown a timid response to the proposals now being drawn up for the financial and industrial reconstruction of troubled Italian enterprises.

The crisis bas afflicted both private and State sector groups, particularly in key sectors like chemicals, steel and telecom-munications, all of which were originally conceived as the basis of Italy's rapid post-war indus-trialisation. These groups, like the Montedison chemicals con-glomerate and its synthetic fibres subsidiary Montefibre, Sir and Liquigas, or the steel subsidiaries of the State steel hold-ing company Finsider, bave increasingly been suffocated by buge accumulated losses and

Some are now on the verge of financial collapse, with obvious repercussions on jobs at a time of growing unemployment. Officially at least, the rate of unemployment is now standing et more than 8 per cent, and the situation is particularly acute in the depressed south of the country, the socalled Mezzogiorno d'Italia, where many of these financially troubled groups have concen-

trated their investments. As one of the more profiteble arms of the Italian economy but also beavily exposed in many of the troubled industrial groups, the banking system as a whole is now increasingly worried that it will be burdened with the overall cost of the proposed rescue operations. At the same time it sees itself being blamed almost exclusively for the errors of the past and being transformed into a scapegoat by the political parties, especially the long-ruling Christian Democrats, who originally were the main sponsors of the rapid and largely unco-ordinated industrial

development of the country.

During the last 12 months a series of controversial initistives south. The emphasis was on by the Italian judiciary has highly capital-intensive industries like chemicals and steel, found apprehension of the bank-which were seen by the anthoriing system. Several leeding per-ties of the time as forming the sonalities in Italian finance have basis for the gradual develop-

is currently caught up in a misdirecting and misusing colossal oparation to rescue State subsidised funds advanced some of the country's main to a number of these large industrial groups which bas no groups. The most dramatic case precedent in Italy's post-war concerned Societa Italiana history. For the banks the implications of the present situation and the magnitude of the ation and the magnitude of the to a whole battery of charges against a series of leading bankers, including Sig. Paolo Baffi, the highly respected Governor of the central bank

who resigned last September.

Many leading bankers admit that perhaps the banks, by financing some of these groups, share some of the blame for the current crisis. But they also stress that the blame and indeed the responsibility for rescuing the troubled groups falls equally on the politicians, the indus-trialists and the bankers. In any event the charges brought against some bankers bave only made it even more difficult to launch effective salvage plans, as hankers are clearly reluctant to take initiatives in the cur-rent circumstances which might eventually compromise them even more in the eyes of what are generally regarded as some-what questionable decisions by the judiciary, or et least a certain part of the magistracy.

Deeper

Of course, errors of lending and judgment, as in many other countries, bave been made by some banks. Yet the root causes of the present situation lie far deeper. In his eddress at the central banks annual meeting earlier this year. Dr. Baffi dwelt at some length on the problems subsidised credit to industry Italy and on the pattern of tbe countrys post-war industrial-isation. "The difficulties currently facing a large sector of the Italian credit system reflect the crisis of several industrial sectors caused by a series of domestic and external factors including the system of subsidised credits for the development of the country," be said.

The problem dates back to the sixtles, when low credit incentives were set up to boost indus-

sized enterprises in the Mezzo-

In the process, according to Dr. Baffi, credit institutes took increasing risks by assisting ventures in non-industrialised areas of the country while simultaneously seeing decisions as banks over-shadowed by Government pressures and development programmes. "The boards of the credit institutes were increasingly controlled by the euthorities which effectively granted the credit facilities, and the decisions on the siting and the

ject to sociopolitical considera-Between 1967-70 some L4,900bn of State-subsidised credits were advanced for investments in the south, of which more than L2.800bn were for the chemical and metallurgical industries. In 1971 further fundings for L3,480bn were granted, and after the 1973 oil crisis further sums of L3,000bn were advanced as the anthori-

ties thought at the time the crisis would not be as acute or protracted as it turned out to be to justify major changes on long-term investment pro-As a result many credit insti-

long-term lending swell dramatically—as indeed their shortterm lending in view of the financial requirements of State and Semi-State industries which were facing chronic delays in securing Government capital endowment funds. Several credit institutes faced increasingly serious problems as their outstanding credits were often

tutes saw their medium and

As the situation of many of further, proposals were drawn up to avoid the collapse of these concerns and the grave repercussions this would have entailed on both employment and banking systems. After the disappointing performance of the State sector, there was a general consensus that further nationalisation should avoided—as indeed also more drastic solution of liquiamounts of specific investment detion. The answer was found in a concept which envisaged the setting up of a series of were therefore increasingly subbanking consortia of the credit institutes exposed in a specific company, to take control of the group and launch a five-year

recovery programme. The banks would agree to a moratorium on all outstanding debts, pay off immediate creditors, recapitalise the group and guarantee the continuity of in-dustrial activities while reorganising the troubled coinpany's structure and reviewing its investment programme. In the event that a consortium was impossible to create, a special commissioner appointed to take temporary control of a group and suspend liquidation proceedings for 24 months to see whether it could

be effectively salvaged. After months of controversy negotiations are now at a final stage for the creation of two consortia for the Sir and Liquichimica chemicals groups. The main difficulties have been the conflicting interests of the various banks, with those more beavily exposed in a given

institute, Istituto Mobiliare credit institutes. At the same interest bearing debts into the Italiano (IMI), which had extime banks less exposed medium term, have been made posed itself substantially in the seemingly preferred eventually for a number of other private seemingly preferred eventually and State-controlled groups like, as the situation of many at the least they had rather than ing loans they had rather than these groups deteriorated even commit themselves in what inevitably is a risky operation. The banks Moreover, while the basic principle of the concept is to rescue packages for the Snia help rescue what is worth rescuing there have inevitably been pressures from the political parties to avoid major shut-downs in view of the acute social and political implications of such action.

Elaborated

But it would be unfair to underestimate the contribution the banking system has made the banking system has made during the past 12 months to relieve the generally gloomy situation of the country's main industrial groups. A variation of the consortium formula has been the numerous operations by groups of banks to recapitalise and consolidate the financial positions of large com-panies in difficulty. In the case of Montedison, Italy's largest chemical conglomerate, and burdened by huge losses and accumulated debts, the State medium-term credit agency, placed on the argent rescue Mediobanca, elaborated a complex financial operation involving the biggest ever capital theless been a fundamental increase put together in Italy, change of outlook and more for an industrial enterprise and selective epproach to lending including the participation of a new Arab shareholder, the

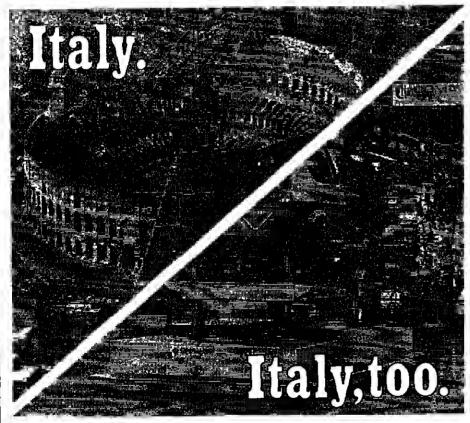
Saudi Arabian Interedec group. Recently Mediobanca put together another package for the Pirelli tyre and cable group where a consortium of leading banks is expected to acquire a 24 per cent shareholding in the concentrated in a limited num-ber of enterprises. This was constitution of a consortium needed funds. Similar opera-particularly the case of Italy's spreading the risk of e salvage tions, including the consolida-

THE ITALIAN banking system been charged with allegedly ment of smaller and medium-leading medium-term credit between a number of other tion of short-term and high private sector and Italsider in Viscosa and Montefibre textile

Banks are also increasingly called on to help out the country'e broad range of small and medium-sized industries, which in the past have relied essentially on their own devices and on their self-financing capacity. But these groups, which are as fundamental to the country's accommon structure as the large economic structure as the large industries, are now increasingly facing economic difficulties and export competition. So far the intervention of the banking system in this key sector of the economy bas been generally regarded as unsatisfactory, and the anthorities are now introducing a number of measures to boost the presence of the country's main banking institu-tions in this field.

While the relationship be-tween banks and industry in Italy continues to remain delicate and the emphasis is clearly conglomerates, there has none by the banking system at large. The country clearly does not intend to repeat the errors of the past, which saw an indis-criminate policy of governmentinspired subsidised credit facilities. But the question, as always in Italy, is whether good intentions will finelly be translated into fact.

Mounting criticism of lending policies



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"AS FAR as lending to this as any. While their com- detriment. Some observers of the Bank of Italy, claimed to industry is concerned, the bank-bined net 1978 profits of just moreover now detect a spread detect a trend towards discouring system operates as an under L42bn (\$50m) are explications. This has reduced its tremely modest, both by compositions of initiative and parison with Britain's clearing tive posts like managing directions. largely allowed it to forget banks and as a proportion of about cost control and combined total deposits of cfficiency." This judgment on L49,170bn (\$59.3bn), they repthe performance of the com-resent one of the very few mercial hanks came from an profitable areas of IRI's operaeminently qualified source-Sig. Cesare Romiti, the top higher, the banks would say, is finance man et Fiat, Italy's the result of very high labour largest private industrial con-cern, and one who has spent are among the best paid in much of his time dealing with Europe) and of the high rates the banks from the other side they are obliged to pay deposi-

of the negotiating table. It is a harsh verdict, and one that demands a good deal of merit of going to the beart of the problems surrounding the banking sector in Italy-its lack of any real competition either as a bome for sevings or as a provider of finance, and its intimate (too intimate, many would say) ties with the public sector, which absorba two-thirds of total credit, and with the politicians.

Nor is this state of affairs entirely to the benks' advantage. They in turn are becoming increasingly uncertain about their own role, largely as a result of the pressures on them from the Government to step in to rescue debt-ridden chemical and other groups whose basic credit-worthlness is distinctly open to question. These operations, many Italian bankers believe, are the very negation of a basic principle of the industry the granting of credit on the basis of a proper judgment of

Ambiguity

This ambiguity, reflected in the current Italian banking laws, has led to the involvement of the banking system in scandals such as that of Societa Italiana Resine (SIR), including of course in that case the Bank of Italy itself. It is not the least advantage of the present debate over the precise stetus and responsibilities of the banks that charges might be prompted in that legislation.

Nonetheless it is bard to escape the conclusion that the commercial banks bsve remained a fortunate breed, largely isoleted from the upbeavals which have been experienced by the national economy in the 1970s. A job in a bank is one of the best paid as well as one of the safest in Italy, and epplicants are fiercely

Whatever the problems they bave caused industry, high interest rates bave meant that banks bave remained over the yeers consistently, if not dramatically, profitable—except in cases of blatant mismanagement or ill-judged speculation.

Roma, the big three banks controlled by the State-owned day dozens of top jobs in some conglomerate Istituto per le of Italy's major banks, credit Ricostruzione Industriale (IRI), institutes and savings banks are as good an illustration of remain unfilled to their obvious

tions. That earnings are not

In a fundamental sense the preponderant role of the banks qualification. But it has the in the Italian financial system bas made them prisoners of that system. An inevitable consequence of the failure of government to run the economy by fiscal means bas been excessive reliance on monetary policy. For that reason the central bank, responsible for credit and monetary control, maintains a very tight grip on their operations.

> In a country plagued by an enormous public sector financial deficit and inflation invariably well above the European norm, high interest rates have become the rule These in turn have destroyed what small role the stock market had as a worthwhile source of capital for industry and as an attractive home for investments. banks are moreover obliged to take up a certain quantity of Government bonds to finance that public deficit.

The public sector, in its widest sense, is now estimated to account for about 65 per cent of all credite extended by the banking system, egainst around 35 per cent for the private sector-a ratio more or less the exact reverse of that obtaining in France or West Germany Admittedly some of that money is re-lent by the Government to the private sector, but often very inefficiently. The complaint of Sig. Romiti is therefore justified and understandable. But the banks themselves are fully aware of the problem and point the finger of blame in the direction of the State.

The problem is made worse by the growing entanglement of top banking posts in politics The State's ownership of most of the largest banks in Italy dates beck to the financial collapse of the 1930s. But political involvement was taken e crucial stage further from the 1950s as the ruling Christian Democrats saw control of the banks as a vital bulwark to their power.

This division of the spoils which has to take Into account the views of the smaller partienow associated with power in Italy, as well as the Christian Credito Italiano, Banca Com- Democrats and their internal merciale Italiane and Banco di factions, is becoming en ever more painstaking process. To-

tor and so on,

Less excusable, however, the poor level of facilities available to the Ordinary customer. Bank offices are as plush in Italy as anywhere else but the services offered are primitive by the standards of other West European countries. Cashing a cheque can take 20 minutes, and transactions which ought to be completely straightforward

often come either as a paper-pushing nightmare or a down-right impossibility. Part of the explanation must lie in the lack of competition, other than on interest rates paid to depositors.

Prodding

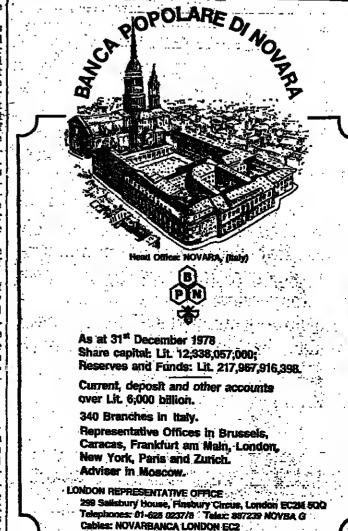
It is also true that many of the innovations which are prodding Italy in the direction of a sophisticated domestic money market have come about through the stimulus of the foreign banks which are opening branch offices in growing numbers in Milan and Rome. However, there are signs that

the recent obsession of the Italian commercial banks with merely lifting their deposit levels may be changing. In his final statement to the central bank's meeting last May, Dr. Paolo Baffi, former Governor

As Sig. Lucio Rondelli, man aging director of Credita Italiano said recently: "We have come to understand tha large deposit growth implies large lending growth and in th current state of the Italian eco nomy this is e risky business. The latest statistics also sugges a trend, at least among th largest banks. While total depo sits rose in both 1977 and 197 by 23 per cent, to reac L187,088bn on December 3 last, the rate of expansion for by balf in the first five month

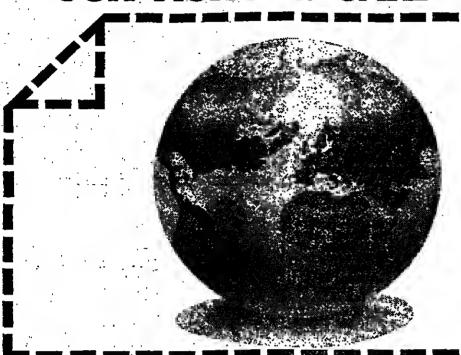
For the smaller banks th picture is less clear. The growth of a bank in Italy ofte reflects its location rather the any conscious manageme: policy And in a country wi around 1,300 banks and saving institutes, the vast bulk of the with strictly local aspiration homogenity is far less that say, in Britain, where the b clearing banks are omnipreser This proliferation of local bank with very different tradition aspirations and obligations, not the least of the difficulti in the way of operating a cree policy in Italy.

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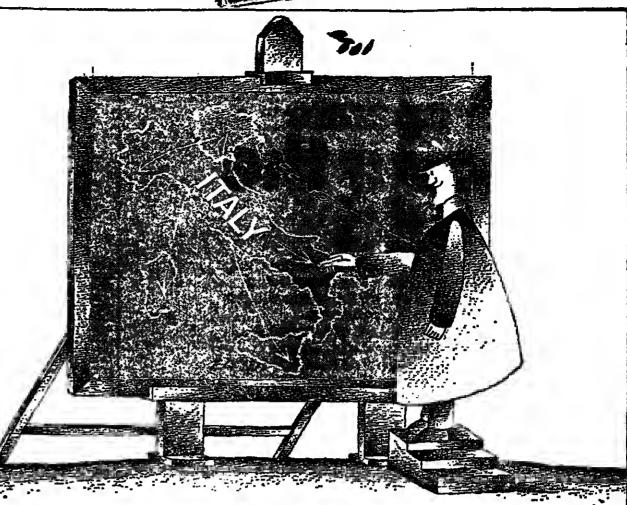
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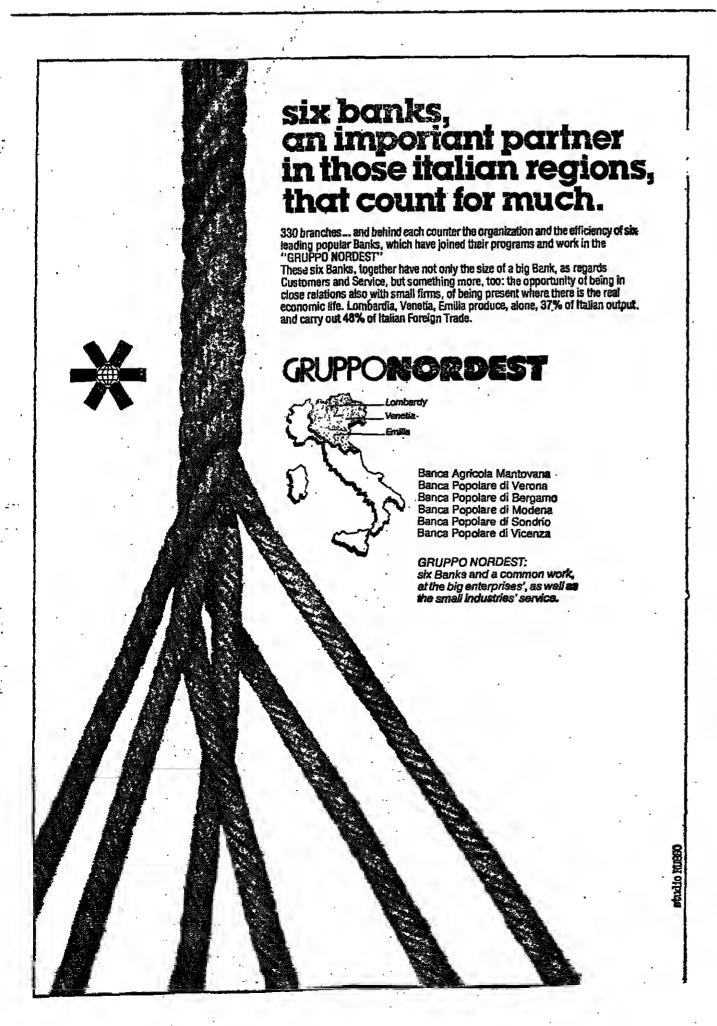




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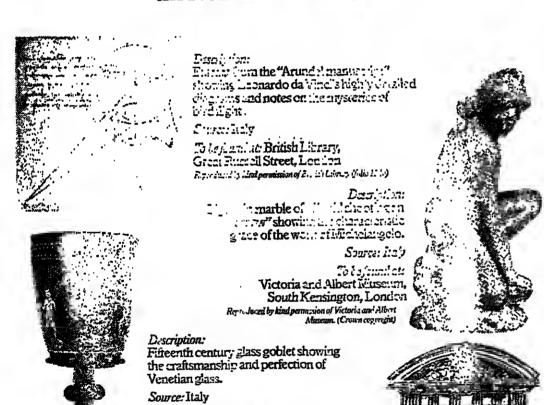
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Moves to revitalise capital market

THE MILAN Bourse has the end of the year, the need allowed to bold stock on their equities as a percentage of gross black year of 1977, appealed to the European Combass seldom been felt more own account but must always national income in 1978. The in fixed interest munity to make it possible in strongly for an effective chanacter or design for their equities as a percentage of gross black year of 1977, account but must always national income in 1978. The account of their equities as a percentage of gross black year of 1977, account but must always national income in 1978. The account of their equities as a percentage of gross black year of 1977, account the properties are provided by the provided and the provid lators, have had little relevance to the economic lifa of the country. As one way of correct ing this and revitalising the Milan Bourse, its president, Dr. Glorgio Aloisi de Gaspari, visited Brussels this autumn to ask for EEC intervention to get restrictions on foreign portfolio investment removed. He said recently that he was also taking the matter np with the Bank of Italy.

If an Italian wishes to buy a foreign share or bond, he bas to deposit a further 50 per cent of the purchase value in lire in a non-interest bearing recourt with the Bank of Italy or an authorised bank. This regulation, issued when foreign exchange reserves were dwindfolio investment in foreign enoted companies, which see no purpose in seeking an Italian stock exchange listing. For years the British financial group of Borring has been the only

company cuoted in reminder that the Bourse or'd still be open to companies from abroad rather than as an actively traded share.

Abolished

Now that foreign exchange reserves are high and the lira periorning well in the first year of the European Monetary System (EMS), Dr. de Gaspari believes it is time to do away with the 50 per cent restriction. We have asked the European Commission to have the deposit abolished," be said. "There is now no need for it, no reason for it any more."

practice for Italian investors to nel for equity investment as a in practice this regulation has huy foreign shares, particularly means of preserving capital savhuy foreign shares, particularly those of other member countries. For years the Italian stock exchanges, while providing opportunities for frequent flutters by a handful of specunake the Bourse accessible to the general public, practice has not always being means of preserving capital saving capital saving and always being means of preserving capital saving and always being the always being the provided and activities and activities of the general public, practice has made for the Milan's insignificance by international standards has been underlined in a comparative study of the size and activities of the general public, practice has made for the Milan's insignificance by international standards has been underlined in a comparative study of the size and activities of the general public, practice has a specific provided in the specific provided in the same of preserving capital saving and activities and activities and activities are provided in the same of the same promises of radical reform to make the Bourse accessible to the general public, practice has fallen far short of promise.

income tax credit on dividends, abolishing the double taxation of company and dividend revenues. The tax on interest from hank deposits was saised from 18 to 20 per cent, reducing differential with the generally higher tax incidence of dividends. A mercato ristretto, or over the counter market, was also set up in 1978. In Milan it now lists 27 shares, mostly ling rapidly and defence of the small banks, including Credit-liza was paramount, has effec-tively stopped legal Italian port-Credito Italiano and Britain's National Westminster.

> A decree was issued this summer to define the role of Conson, the Government-appointed Bourse supervisory commission, which since its foundation has been the object of widespread criticism. Its image fell into ridicule nearly a year ago when the then Prime Minister, Sig. Giulio Andreotti, appointed a friend, a personality from the cinema and striptease appropriately named (madmen), as one of Consoh's commissioners - an resignation in protest of the Milan Bourse president, Christian Democrat Senator, Urbano Aletti, Consob how-ever, still sits in Rome, 400 miles ont of touch with the Milan Bourse.

Some of the impediments which have condemned Italian The Milan Bourse, though it stock exchanges to the sidelines dominates the nine provincial have existed for decades and bourses, is the Cinderella of are unlikely to be removed in stock exchanges in developed a few years. The greater part European countries. Founded of share trading takes place in 1808 by the Viceroy Eugene directly between hanks or outNapoleon, it lists only 164 equities. Between the end of 1974
and 1978 the number of joint whom there are 104 in Milan cance behind the more than
stock companies increased from and in the smaller provincial 3,000 companies quoted in the 49.952 to 62,250. Yet its quoted exchanges—sometimes just one companies fell from 153 to 143. or two—are public servants who idea of each stock exchange's In these times of mounting infiation, expected to rise to a 19 and are not allowed to form the importance in the national economy, the study has calcuto 20 per cent annual rate by partnerships. Nor are they lated the total capitalisation of

executive committee. It observes that the general difficulties in Steps

Some limited steps have been taken. Last year Sig. Filippo Maria Pandolfi, now the Treasury Minister, introduced an interpretation of the state of the sta

four The lack of new listings.

Ompanies have shied away from seeking quotations because of the Government's tax discrimination against risk capital and its favouring of concessional medits as well as he cessional credits as well as be-(At the beginning of Nove the Banca Commerciale Italian overall index for Milan, taking 1972 at 100, was in the region of

• The abnormal development of the bond market because of the exceptional expansion of public debt.

• The failure to internationalise Italian bourses—a failure which Dr. de Gaspari is trying to remedy.

• The instability of equity prices because of bad fun ing and organisation of the stock market.

• After noting that the first bree factors result from national economic policy, the study admits that excessive instability tends to discredit the action which brought the Bourse. There is no lack of proposals, it comments, for a modern reorganisation of stock markets which could be put into effect relatively quickly. But it is necessary for "the political forces, solicited by initiatives at European Com-munity level, to perceive fin-ally the urgency of taking such steps."

Tables in the study based on EEC data show bow Milan trails behind even Copenhagen in the number of companies with listed

Experts studying law reform

up a commission of nine juridical experts charged with drawing up proposals to submit to Parliament. It was an objective he had pursued for some time. Other countries, as ha told the annual meeting of the Italian Banking Association last July, had since the war studied and revised their banking structures Britain with its Rad-cliffe Committee, the U.S. with its Commission on Money and Credit, and France, Belgium and Canada with comparable

one reason for this is the strong role assigned to the central bank to guard against a repeti-tion of the banking failures of the Great Depression. There is no pressure for the law's abrogation or radical reform. But inevitably it is outmoded in some respects.

For instance, the penalty for a commercial bank which fails to comply with central hank directives in matters such as limits on credit expansion is as little as L5,000, or for particularly serious cases a maximum of L100,000 (Article 87)—the equivalent of about £3 and £50 respectively. This historical curiosity results of course from the fact that these fives were the fact that these fines were drawn up when there were 90 and not 1.700 lire to the pound, which itself was then worth many more times than today. The central bank has to think of other ways of bringing offenders to heel.

But such curiosities could still have been tolerated had not the need for reform been brought to a head by the political assault on the Bank of Italy last spring. After the central bank's inspectors bad uncovered irregularities in certain banks with Christian Democrat connections, a magistrate started legal proceedings against the then Governor, Sig. Paolo Baffi and the Deputy the Bank of Italy are bound by Director General Sig. Mario official secrecy."

In the case in point, the Bank of Italy said the inspectors' drawn and Sig. Sarcinelli was jailed for 12 days. The magistrate subsequently told a Rome newspaper that Sig. Sarcinelli had ordered inspections in

The mud thrown has inevitacted as deputy chairman of ably affected the staff at the Imi, another medium-term central bank, one of the few credit institute exposed towards CONTINUED ON NEXT PAGE

AT THE end of October Sig. initiatives. But Italy had institutions left in the country Filippo Maria Pandolfi, the remained outside this process, with a reputation for compe-Treasury Minister, took a first Italian banking is in fact still tence, integrity, and indepenstep towards the reform of regulated by a law of 1936, with dence of the political power. Oanking legislation by setting certain amendments made after The bank's inspection service, the war. Considering that it was formulated by a Fascist government to meet the very different social conditions between the two world wars, it has stood the test of time well; against the bank has not been

The legal point at issue was clash between Article 10 of the Banking Law and Article 2 of the Penal Code. Sig. Baffi and Sig. Sarcinelli were charged with not reporting to the judicial euthorities the results of an inspection stated to bave come across irregularities in the use put by by the chemical company Societa Italiana Resine (Sir) of Government-subsidised credits lent by the Credito Industriale Sardo, a public medium-term credit institute.

Obliges

Article 2 of the Penal Code obliges all public officials (which includes officers of the Bank of Italy) who come across Bank of Italy) who come across a crime to report it to the Public Prosecutor or a magistrate. On the other hand Article 10 of the Banking Law imposes secrecy on Bank of Italy officials. Article 10 begins: "All news, information and data regarding banks subject to supervision by the Bank of Italy are protected by official secrecy in respect also by official secrecy in respect also of the public administration." After saying they are obliged to report any irregularities only to the head of the inspectorate (now the Governor), it ends: "The officials and employees of

In the case in point, the Bank of Italy said the inspectors' recommendation that there was nothing to report to the judiciary was cleared by a committee of senior officials, the legal department and the Governor Christian Democrat strongholds himself. The issue was compliand he boped Sarcinelli would cated by other factors, such as that Sig. Baffi had at one time

UK and Irish stock exchanges a different story. Thanks to the lead with 38.3, followed by Luxembourg with 28.1, Amsterdam 20.2, the German bourses 12.5, Brussels 11.7, Paris 8.9, Copenhagen 8.6 and Milan only 3.7. Between 1974 and 1978 Milan was the only one in which the total capitalisation of domestic listed equities fell, from the equivalent of \$11.7bn to \$9.88bn, though the latter admittedly represents a

recovery from \$6.2bn in the

In fixed interest bonds it is enormous weight of public in 1978 with a total par value equivalent to \$93.1bn, behind the German bourses (\$289.1) and the UK and Ireland (\$162.2), but alread of France (\$83.1). Italian bonds, however, give a yield well below the infla tion rate, and leave uns the question of how the investor can preserve his capital John Earle

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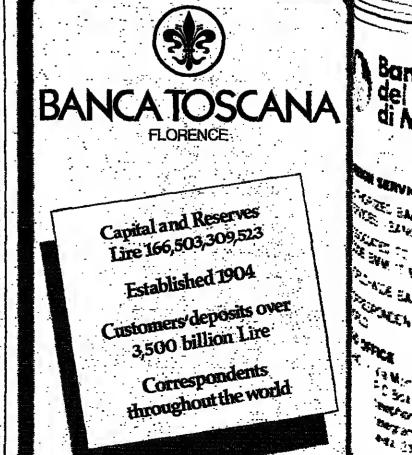
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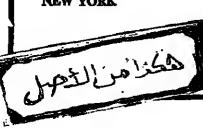


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Money rates hit by rising inflation

last couple of months has been interest rates up, shattering the running at a monthly rate of illusions that had sent share over 2 per cent, pushing the prices up in the summer on the over 2 per cent, pushing the annual rate to around 18 per cent, while efforts to control Italy's colossal public sector borrowing requirement con-tinue in meet only scanty

sector deficit which threatens to other major industrial reach L42,000hn next year, countries. The interhank money

But in spite of the attempts of commercial operators to breathe more life into them. Italy's rather pallid money The need to finance a public by comparison with those in industrial

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THE STORM clouds of inflation and a massive public sector deficit have once again stated over the Italian money market. Inflation in the light inflation has pushed for the last country back the sector deficit have once again of Italy to impose strict curbs face of competition from an inspring, when the economy is Bank started this summer for expected to pass through a the first time to buy bills back period of slackness. But in the from operators in need of the strict curbs are considered to pass through a period of slackness. But in the form operators in need of the strict curbs are considered to pass through a period of slackness. But in the form operators in need of the strict curbs are considered to pass through a period of slackness. But in the form operators in need of the strict curbs are considered to pass through a period of slackness. But in the form operators in need of the strict curbs are considered to pass through a period of slackness. But in the conditions could become easier auctions last year, the Central to pass through a period of slackness. But in the past year, the conditions could become easier auctions last year, the Central to pass through a period of slackness. But in the past year, the conditions could become easier auctions last year. Treasury Bills. Longer term period of slackness. But in the from operators in need of bond issues are currently out first seven months of next year, liquidity, although only at of the market while potential credit growth will still be limipenalty rates with severe limitaof the market while potential credit growth will still be limi-borrowers wait for interest rate ted to an annual rate of 13 per prospects to become clearer, cent. several points below the and a nascent market for expected inflation rate.

These contrasting influences in its infancy.

After a period of ealon this summer, during which interest somewhat curious situation on under which it will buy Bills rates steaded at slightly lower the money market. The lending from banks needing liquidity levels at the short end of the restrictions bave channelled for a given period, selling them market, restoring a more normal relationship between short and long-term yield, the market was jolted early in October by a 1.5 per cent rise in the official discount rate and

The increase in the discount rate, the first for more than a year of 1976. At the routine year, was Italy's somewhat monthly Treasury Bill auction in belated response to climbing late October, yields on six interest rates abroad, particularly in the U.S. It was made necessary by the sharp upsurge in inflation, a deterinating monthly auction before the 1.5 monthly auction hefore the 1.5 monthly auction in the routine which occurred during the crisis and the routine which occurred during the crisis are the first for more than a year of 1976. At the routine monthly Treasury Bill auction in a treatment of the routine monthly Treasury Bills were set at 12.57 per cent, 1.2 per cent above their level at the previous monthly auction in the latest are the routine monthly Treasury Bills were set at 12.57 per cent, 1.2 per cent above their level at the previous monthly auction in the latest are the routine monthly Treasury Bills were set at 12.57 per cent, 1.2 per cent above their level at the previous monthly auction in the latest and the routine monthly areas are the routine monthly auction in the latest areas are the routine monthly areas areas are the routine monthly areas are the routine m halance of payments and fears per cent hank rate increase. high borrnwing costs abroad could prompt commer-

banks' prime lending rates to 16.5 per cent, and by smaller yields. Increases in yields on the Trea-sury Bill market. Share prices tumbled on the Milan Bourse and bonds came under beavy selling pressure, forcing the Bank of Italy to intervene to de-

Ceiling

Later in October, the Central Bank announced new restrictions on hank landing, imposing a celling on the amount of money banks can lend to their clients between now and next July. The new regulations pro-vided some relief for small companies, by extending the companies, by extending the ceiling on loans which are extending the ceiling on loans which already serves the foreign Exchange Market. The Bank of Italy will itself the conditions of the conditions for sale and repurbance of banks' lending in May this too to this fact earlier this year then credit demand in by suspending indefinitely its also expected to contribute

This has meant that some honrs call money rate. banks which bad not fully used

These contrasting influences shortly to introduce a further of rising inflation and high innovation to the Italian marbanking liquidity have led to a ket: renurchase agreements Treasury Issues, and Treasury price agreed on at the time of Bill yields and bank deposit the original contract. rates.

The Bank of Italy's careful management of the market has corresponding increase in so far effectively prevented the panic spiral in interest rates which occurred during the crisis

Yields on 12 months' Bills rose by an even smaller amount, cial operators to pay off their 0.6 per cent, to 12.93 per cent. dehts in dollars, with a conse- The result has been a flattening quent drop in the Bank of nut of the yield curve, which ltaly's reserves. The hike in the discount rate steepening back to a more to 12 per cent was followed almost immediately by a 1.5 per of Italy allowing a proportion-cent increase in commercial ately larger increase in sbortterm yields than in longer-term

> But with lira interest rates to some extent insulated from what is bappening abroad by the to borrow in foreign currency, some bankers are beginning to wonder whether the Bank of ohlige hanks to invest more of their surplus liquidity in longer-term bond issues. New issues market waits for a clearer interest rate trend to develop.

The growing importance of the Treasury Bill market, with more than 48,000 bn-worth of hy suspending indefinitely its Lira was not particularly strong, publication of quotes for the 48-

All this bampered their lending quotas in that development of a dynamic month have now found them money market, long one of the selves left with a smaller quota most cherished goals of the for the next ten months, and Bank of Italy. The Central Bank there has been a consequent has itself contributed to a more reshuffle in the market shares flexible market in the last few of individual banks.

The credit squeeze is expected to be particularly tight this winter, when the main inflationary impact of recent oil price individual banks.

BEXIOIS MARKET IN THE last few years by extending the range of its own intervention on the secondary Treasury Bill market.

After adopting a more flexible approach to the sale of Bills

tions as to the residual life of Bills it would accept. The Central Bank plans

ket: repurchase agreements under which it will buy Bills liquidity into investment in back to the holder later at a

Modest

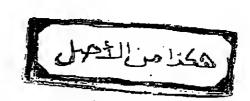
Progress has also been made in the development of a market for bankers' acceptances, which baye been used as a fundraising instrument by a number of major industrial horrowers, including Fial, Olivetti and Italsider. Since this market got off the ground a little over one year ago, the number of bankers acceptances in circulation has risen to about L500bn. But this is still a modest figure compared with total backing credit of about L90.000hn, and non-hanking investors have as yet bardly ventured on to this

Continued hopes for development of Italian money markets are now being pinned on attempts to speed up the flow information and encourage more lively secondary market trading. Both the Treasury Bill market credit curbs which force and the market for hankers operators in need of extra credit acceptances could benefit from more active dealings, and the Bank of Italy has stated quite clearly its intention of encourag Italy will not have to take furing the use of short-term money
ther disciplinary measures to instruments to finance industry instruments to finance industry,

To help provide a more open marketplace, the Central Bank of bonds by non-state borrowers is hacking plans to start opera-have slowed down while the tion early next year of a comnuterised market data service, to be made available to contrihutors and recipients through the Reuter monitoring system which already serves the Foreign Exchange Market.

data on prices and yields, and the service will cover both Treasury Bills and longer term Treasury issues. acceptances, interbank mnney deposits and honds not quoted on the Milan Stock Exchange. At the very least, this new system should bring an end to the different yields quoted in different parts of Italy for Treasury Bills of the same maturity.

By a Correspondent



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Reform

CONTINUED FROM PREVIOUS PAGE

made clear that the Bank of Italy's role is not, as he explained in a recent newspaper interview, to act as "agents of the investigative police but as the authority responsible for guaranteeing the equilibrium of the financial market." The need for Perliamentary action to clarify Article 10 has been echoed by others, including Sig. Pandolfi and the President of the Banking Association, Sig. Silvio Golzio. It will be a first

priority for the commission.
The amendment of existing legislation in itself is unlikely to guarantee against the emerg-ence of further banking scan-dals, of which the collapse of the Sindona empire and the unorthodox lending practices at Italcasse (the central institute of savings banks) are merely two prominent examples in a series. That can nnly come with a change of mentality in public life and when the less reputable members of the nld school of policians are eased

But it should praylde greater certainty under which to oper-Another issue requiring olarification is in ensuring what Sig. Golzio has called "full operative parity" among banks. Among the leading banks are one in the public security—the "Banche di Interesse Nazionale" owned by the para-statal Istituto per la Ricostruzione Industriale (Banca Commerciale Italiana, Credito Italiano and Banco di Roma) and six "Istituti di Credito di Diritto Publica" (Banca Nazionale del Lavnra, Banco di Napoli, Banco di Sicilia, Banco di Sardegna, Monte dei Paschi di Slena and Istituto Bancario

San Paolo di Torino). At present a mistaken lending decision by an official of one of these hanks could expose him

Sir, and that the Bank of Italy as a public servant to a charge maintained the magistrates of embezzlement of public already knew about the allega-funds, while a colleague in a tinns of irregularities in lending private sector hank could get by Credito Industriale Sardo to away with a minor penalty nr Sir. But the essence was the possibly merely a reprimand for inconsistency between the Bank-ing Lew and the Penal Code.

an error of judgment. The com-mission is expected to study the ing Lew and the Penal Code.

Sig. Baffi feels it must he removal of this anomaly.

Rigid

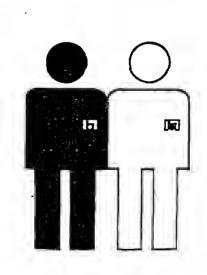
A third need for clarification concerns what Sig. Pandolfi has called the demarcation between banks and credit institutes. The 1936 law instituted a rigid division between banks, allowed to engage in short-term lending, and credit institutes, for medium and long-term operations. The distinction has become blurred, not only hecause credit institutes are often controlled by banks, Rather than simply abolish it, Sig. Pandolfi would like to see rationalisation nf the parameters correlating short with medium-term lend-

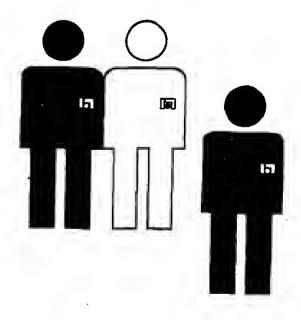
The need for reorganisation is also recognised in sectors such as the structure of the saylags banks and the co-operative "popular" banks, in the protection of depositors in the event of hanking fiquidations and in the more even territorial distribution of banks' areas of opera-tion. Bankers themselves have frequently complained about the Foreign Exchange Law 159 of 1976, which requires them to check the accuracy of value declarations in export/import in-voices, as if they were foreign trade experts. The foreign exchange regulations, moreover, are a maze of what Sig. Golzio has described as numerous "doubts and perplexitles."

Foreign husinessmen of various countries have more than once made representations about them to the Italian Government through their chambers of commerce. Such restrictions, hesides being confusing, are all the more irksome to husinessmen when countries like Britain have abolished foreign exchange controls.

John Earle

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ITALIAN BANKING AND FINANCE VI

Extensive network in the regions

IN A country whose economy their lack of size, they are a Sardegna concentrates its busi-is as fragmented as Italy's, it dynamic force in the Italian ness on firms with a commercial is no great surprise to find that financial scene. there are more than 1,000 banks and other types of credit insti-tutions. Some of them are big local finance means local power,

But the great bulk of Italy's ing the small businesses which make up the backbone of the

which was founded in 1473, are as old as banking itself. Others are of more recent origin, like the 166 co-operative banks set century to finance local enterprise. The largest category by far are the local Casse Rurali ed Artigiane, many of them with one branch, set up in the

In a geographically de-centralised economy like Italy's, banks of national and inter-national dimensions, like Banca major regional banks have long Nazionale del Lavoro, Credito had an overtly political conno-Italiano or Banca Commerciale tation. Some of the big State-Italiana, State-owned or State-controlled and alt with a major presence in Italy or abroad. Sicilia or Banco di Napoli, bave names suggesting regional links which belie their national and 1,071 credit institutions are international importance. But amall concerns of regional or local importance, playing a quiet so the medium-term lending but fundamental role in financ- institutions such as Isveimer-lng the small businesses which which finances industrial development in Southern Italy, or Credito Industriale Sardo, which Some of them, like Banca del does the same for Sardinia, Monte di Bologna e Ravenna, play a major role in the econo-

regional sphere of influence. Some of these banks, in par-ticular Credito Industriale up for the most part in the last Sardo, have been at the centre of national controversy in the past year over the role they played in the generous State financing earlier this decade of the financially troubled SIR last 100 years to use local chemicals group, whose Sar-savings for extending credit to dinian chemicals plants were farmers and businesses. Despite for months in a state of crisis and near-collapse. The SIR financing case, which bas in-

mic development of their main

directly implicated senior bank-ing officials at the Banks of Italy and other major Italian banks, appears with hindsight as a case of regional financing as a case of regional matching gone wrong. But although the enormous funds involved in this unhappy case history of industrial financing make the SIR saga one of national importance, it would be unfair to generalise from this example

about the state of the rest of regional financing in Italy. Among the State-owned ordinary banks, as opposed to medium-term lending institutions, Banco di Sardegna is the one with the most clearly de-fined regional character. on the mainland - in Rome,

accounts for around half of the

island's banking business.
In a list of the number of bank branches operating in each region, Sardinia, still a predominantly rural economy with little in the way of industry, lags well behind the more developed regions of Northern Italy. Not surprisingly, the industrial region of Lombardy, whose capital, Milan, is also the capital of Italian banking, comes first, with 2,197 bank branches, followed by Emilia-Romagna with 1.218. Bottom of the league, and just below Sardinia, come the relatively poor and backward southern regions of Molise with 45 bank branches, and Basilicata, with 118, both of them smaller in geographical area than Sardinia.

Poorer ·

The problem of financing the development of Italy's South, the Mezzogiorno region is one of the higgest headaches facing any Italian Government. It was with this aim in mind that the State fund for financing growth in Italy's poorer half, the Cassa per il Mezzogiorno, was set up in 1951 to provide subsidies and technical assistance for a wide range of projects. But banking credit still tends to cost more in southern Italy than in the industrial north, and although the number of bank branches for every 100,000 inhabitants is now nearly double what it was other European countries, are as now nearly double what it was in 1951, the Mezzogiorno is still severely "under-banked."

To overcome their regional ing sector. Since the first co-limitations, many of Italy's operative bank was founded at small banks have forged links nationally and internationally with other banks in order to extend the range of services in Italy have more than 600,000. they can offer to their clients. The Banca Popolare di Abbiate-

semative offices in three sorties countries—Britain, the U.S. and West Germany — where is this one each in Frankfurt Stuttgart

But restrictions imposed by the Bank of Italy on the opening of new bank branches and fit territorial limits set on the bank ing ectivity of smaller regions hanks have limited the stream lining of banking business Italy. In many cases banks was ing to expand their geographics range bave had to resort to take overs in order to gain the musick they wished to exert in other areas. This was the case earlier this year for Monte dei Paschi di Siena, the State-owned bank di Siena, the State-owned bank, whose original foundation dates back to 1472, which recently bought from industrialist Carlo Pesenti's Italcementi group the Milan-based Credito Commerciale, with its 79 branches in the industrial Lombardy region.

Banco Popolare di Novara Italy's biggest co-operative bank with branches throughout Northern Italy and representative offices in seven foreign banking centres, has for some time followed a policy of taking over smaller co-operative banks in difficulties. Its latest acquisi-tion, which brought it for the first time into the Campania

other European countries, are as a group perhaps the most dynamic category in the Italian bankregistered shareholders and a 15 per cent share of the Italian banking market. Although these hanks, like other categories of Italian credit institutions, have their main area of activity in the industrial North, the co-operative movement is spread

By a Correspondent

Financial Times Monday November 19 1979

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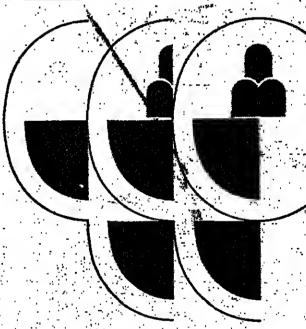
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Founded only 26 years ago as the successor to a much older Abhiategrasso, near Milan, and agricultural financing institution, this youngest of the six ability to make currency paylistituti di Diritto Pubblico has ments to foreign banks in under the contraction. more than 50 branches in a minute using the "Swift" Sardinia and only three offices interbank transfer system throughout Italy. Cassa di Risparmio di Genova e Genoa and Milan. Banco di Imperia, one of the bigger Growing foreign contingent by the Italian State hydro-market, because of the much carbons group, Ente Nazionale lower interest rates applicable Idrocarburi (ENI). In this on foreign funding. All this led sector the foreign banks have to a market increase of the also made a major contribution foreign indebtedness of Italian in organising and putting banks, which rose steadily from together lending consortia and the depressed levels of the days belping Italy's return into tha Euromarket.

DURING THE past five years there has been a small boom among foreign banks in Italy. Since the recovery of the Italian economy after the 1976 lira crisis an increasing number of leading foreign banks bave turned their attention to Italy, where some 30 international credit institutes are now involved in a variety of operations. Six foreign banks control majority stakes in Italian-based credit institutes, with more than 100 counters in the country. Two bold minority stakes and 22 other international banks operate in Italy through authorised subsidiaries.

In large measure the opera-tions of foreign banks in Italy are geared to servicing the branch offices and subsidiaries of the large international industrial groups with interests in the country, as well as some major Italian private and State enterprises like Fiat and Olivetti in the private sector and the Istituto per la Ricostruzione Industriale (IRI) subsidiaries in the State sector

subsidiaries in the State sector.

By dealing essentially with non-Italian customers and multinationals and the large Italian international groups, the foreign banks tend to have the cream of Italian business. At the aame time during the last two years at least, they have concentrated on wholesale business, enjoying generous interest rate spreads in a rela-tively liquid market.

Driving

Indeed, the U.S. credit instiindeed, the U.S. credit institutions, which effectively have
been the driving force behind
the recent boom of fureign
banks in Italy, have played a
major contribution in developing the domestic interbank
merket and helping to modermerket and helping to modermist the Italian banking system
with a remarkable of payments Italian commercial banks reduced their foreign indebtedness significantly, with a drain
of some L110bn in net official
reserves. To encourage Italian
banks to turn again to the
foreign markets, the monetary
authorities have now also rethe introduction of bankers' acceptances and a series of other operations common in international banking.

been able to turn increasingly for imports in foreign exchange, of July 198 to the international markets, raising medium and long-term abolished, that 50 per cent of period end loans at attractive interest rates. In large measure, these loans have been directed either to consolidate company balance. There was also a further monetary of the structure of the stru loans have been directed either in foreign exchange.

to consolidate company balance sheets or for specific ventures attraction to turn to foreign pected to be introduced.

There was also a further monetary curbs are now expected to be introduced.

Pan Refts pipeline from Algeria to Italy margins than on the domestic

Foreign banks today account for about 1 per cent of the overall business of credit institutes in Italy, and in a sense they have helped stimulate the foreign operations of Italian domestic banks. While the growth of Italian banks abroad has not matched the develop-ment of foreign banks in Italy in recent years, seven leading Italian credit institutes now have branches in 14 countries with operations totalling some L12,000bn a year, or about 10 per cent of their parent com-

Dany'a net assets. However, in view of the more limited margins on the inter-national market, the net profits of Italian banks abroad tend to be lower than in Italy. More-over, according to Sig. Nerio Nesi, chairman of Banca Nazionale del Lavoro, Italy's largest bank in terms of assets, Italian banks abroad could be strengthened by increasing their capital assets and the adoption of less restrictive policies. Both Italian and foreign banks

operating in Italy bave been Particularly active in foreign exchange loan operations since these do not fall under the Bank of Italy's restrictions on domestic credit expansion. In the wake of the country's improved external exchange position, with a remarkable position, with a remarkable overall balance of payments surplus of some L7,000bn last year and an expected if some what lower surplus this some the surplus of some last duced their foreign indebted ness significantly.

lira loans to domestic custo- the previous ceilings. The in-With the elimination of the so-called "Italian risk" and the liquidity of the Eurodollar regulations obliging importers cent by the end of December market, Italian concerns have market, Italian concerns have to finance all advance payments for imports in foreign exchange, of July 1980, compared to 19 and a further requirement, now per cent for the 12-month mers, Italian banks in 1976 crease in the total credit in Lira

of the 1976 hira crisis.

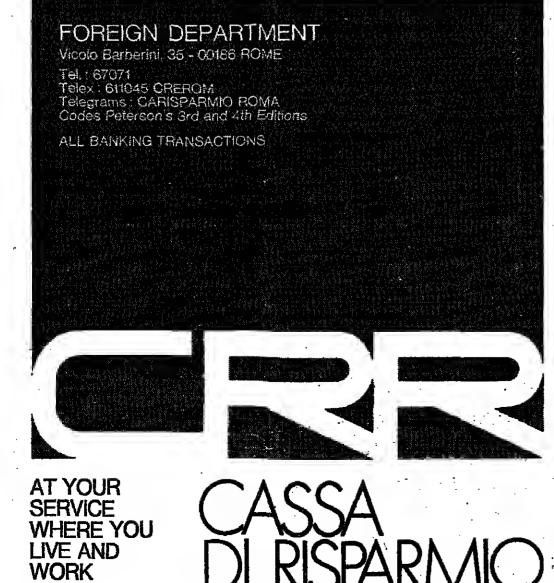
However, in recent weeks the situation has been changing. The general rise in international rates, particularly in res pect of the dollar, has been putting renewed pressure on the Italian currency by encouraging speculation and capital outflows. Indeed the relatively lower Italian interest rates, which in the case of the central bank's discount rate and of the commercial banks' lending rate to prime borrowers had remained unchanged for some 12 months, bas inevitably encouraged Italian operators to clear their short-term debts, while encouraging at the same time further capital outflows towards higher yields.

Increase

At a time of growing anxiety over accelerating inflation, a de-terioration in terms of trade and pressure on the balance of payments current account, the monetary authorities decided last month to increase the key central bank's discount rate by one and a half-points to 12 per cent. This was subsequently followed by a general increase in Italian money market rates and a one and a half point increase to 16.5 per cent in the commercial banks' prime rate.

duced following the 1976 lira authorities have now also renewed domestic credit cellings Together with the ceilings on which are effectively lower than period ending August 1979. With the generally uncertain for the Italian further domestic

Paul Betts



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TORONTO Composite 1625.7 1622.7 1625.5 1915.1

Nov. 14

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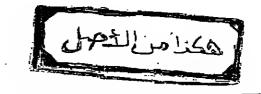
Low

219.15 (2/1) 225.80 (2/1)

High

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WORLD STOCK MARKETS



IAPAN HOLLAND CANADA 1979 High | Low 1672 High | Low **YEW YORK** Nov. 15 Nov. 16 Nov. 15 Stock High | Low 2tock Price Fis. 1279 Price Yen High Low Stock Schiltz Brew. J.,
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Schilmberger...
Scott-Foresman.
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1146 Harcourt Brace.

12518 Harris Bancp.

2514 Herris Bancp.

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1.51 Myer Emp. 1.51 Comalco... Cons Gold.... .. Nov. Nov. Nov. Nov. 14 13 12 9 BELGIUM Belgian SE (81/12/6a) High Low High | Low 101,12 101.05 100.15 100.70 109.47 (5/10) 98.80 (5/1) 707 191 325 O ENMARK Copenhagon 8E | 1/1/73| 788,67 (7/11) 75,44 (8/11) 295,78 (27/2) 38,24 (24/10) 1061.78 (11/76) Industr 1s,815.79 821. 55 816.55 814.08 821.95 806.45 89.56 89.65 20.05 90.46 87.45 (25/7) 88.52 (8/1) BELGIUM/LUXEMBOURG mo 8'nds 75.88 75.91 75.95 75.93 78.05 75.55 FRANCE GERMANY 270 --15 82,40 (16/2) 92,70 (22/2) 241.55 241.55 957.75 258.75 255.95 252.86 275.88 Investment Companies Bank Leumi Invest ... "Clai" Israel Invest.... '+ 4 +20 122,5 (4/10) 392 520 254 (7*j*2/68) 156.52 Nov. 10 (15/8) 108,51 (23/8) High | Low 102.55 102.17 121.45 108.85 100.18 89.19 GERMANY FAZ-Aktier Commerci (29/4/68) (28/4/42 2,180 5,400 1,080 1,080 2,100 6,510 3,240 2,360 1,560 1,680 6,610 3,600 5,460 2,960 1,590 2,960 1,580 2,960 1,580 2,960 Nov. 10 ading Vol. 50,226, 52,480 5 1,120 23,482 28,690 50,188 1/12/68) 225.11 224.57 224.51 225.56 265.60 115/1) k(Dec. 1955 712.80 706.10 705.5 715.20 880.65 (12/1) High (Low n (31/12/68) 223 75 (7/11 764,50 (7/11) 79 320 144,4 143 500 322 Commercial and Industrial 2ay's high 829.31 low 812.54 ANP-CBS General (1976) 88.00 55.40 54.5 85.80 ANP-CBS Indust. (1970) 68.36 68.20 68.0 58.85 85,49 (7/11) 65,90 (7/11) 1,51 Myer Emp...... 2,23 Nat Bank..... 2,40 Hews 0,91 Nicholas Int... 1,32 North 8ke Hill. 1,27 Oskbridge... 0,32 Otter Expl... Nov. 2 | Oct. 95 | Year ago lappro HONG KONG 2,00 2,50 4,00 3,16 2,90 2,03 16,50 2,03 2,05 1,18 0,32 2,00 2,05 4,60 0,40 3,85 1,66 1,66 1,66 Hav. 9 ; 160,9 164 284 185 48.5 242,5 631 139 232,5 Hang Beng Bank/81/7/84/ 728.01 752.77 744.45: 724.95 744.45 114/11) 495,85 (B/1) 178.01BHF 206 245 316 228 71 329 258 180 262 Ind. div. yield % 0.11 5.16 0.28 3.95 1.05 2.89 0.50 1.85 1.85 2.50 1.05 1.05 1.87 4.05 1.87 6.65 3.10 1.40 3.22 ca Comm. Ital (1272) 23.45 88.25 85.25 04.65 93.85 (4/10) 88.38 (2/1) STANDARD AND POORS JRFAN Dow Averago (18/5/49) 8587.11.2572.57.6414.11.8401.75 6590.82 (29/3) Tokyo New 6E (4/1/88) 444.59 445.72 443.48 443.28 455.24 (29/8) 1979 Since Cmpil't Nov. Nov. Nov. Nov. 12 9 High Low High Low Plaque marks NÖRWAY Oslo SE (I/1/72) 250,5|Deutsche Bk.... 165 |DU 2ehult...... 190 |Dreadner Bk.... 140 |Dyck Zemont... 165 |GHH..... 77,5|Hapag Lloyd.... 309 210 247 188 241 107 ndust'a... 112.57 118.74 116.90 116.54 118.12 115.72 124.48 107.88 154.64 5.52 (16.10) (27/2) (11/1/75) (30/8/52 composite 165.79 194.15 198.33 182.94 105.51 191.51 111.27 96.15 125.85 4.49 (5/10) (27/2) (11/1/75) (1 8/52 185.58 181.74 181.50(184.62 184.62 (18/11) 74,48 (16/1) 2,380 2,400 1,428 682 1,448 SINGAPORE Straits Times (1996) first Yard HQ 400,53, 401,92, 402,54, 400-65 425,55 (6/10) 545.54 (95/2) THE SITE of the first head-quarters of the Metropolitao Police—the Scotland Yard of Victorian England—has been market with a blue plaque by SOUTH AFRICA Gold (1858) Industrial (1958) 426.0 426.7 429.8 428.8 425.5 428.3 424.2 412.1 125.3 38.6 350 122 143.0 247.0 Year ago (appro: Oct. 31 Nov. 7 Nov. 14 ; 3.27 0,58 5.42 3PAIN Madrid SE 129/12/72) DENMARK 0.41 d. div. yield % 82.48 (16:11) 82.45 82.57 83.41 88.81 111.82 (9/5) 8.64 7.42 7.37 7.39 the Greater London Council as part of the 150th anniversary HONG KONG SWEDEN Jacobson & P. (1/1/58) 549,94 354.84 554,50 349.84 481.54 (8/2) Nov. 18 1979 Price Krone 8.60 881,87 (24/8) 284 218.3 95 106 320 102 291 175 281 281 10.57 10.59 10,28 High Low 191 203 70.7 71.6 280,2 79 179 135 222 250 Gov. Bond Yield of the Metropolitao Police. 159.75 | 159.25 Andelsbanken ... | 137 397 | 348 Baltica 3t ... | 548 161 | 74 Burm & Waln ... | 89.5 269 D. Sukkerfab ... | 203.5 130 | 116 Danske Bank ... | 128.6 142 | 118.5 East Asiatio ... | 123 156.35 | 132.5 Finansbanken ... | 160.25 324.5 | 270 Feronade Bryss ... | 271 166 Forende Dampek 167.25 Nov. 16 SWITZERLAND Swiss Bank Cp. 151/12.58; 605.18 #01.90 602.1 303.70 529.10 (2/6) High (The building houses the Mini-Rises and Falle 19.60 1.94 9.13 0.90 92 4.80 50 12.70 15.30 stry of Agriculture which stands oo the former site of 4 White-N.Y.S.E. ALL COMMON Nov. 15|Nov. 16|Nov. 1 Base values of all indices are 100 except NYSE All Common—50 and Poors—10; and Toronto—1,000; the last named based on 1975. 1 bonds. 2 400 industriels. § 400 industriels plus 40 Utilities, 40 Fina 20 Transports. c Closed. u Unavaitable. -50; Standa - † Excludis 1,884 829 815 443 39 53 1,871 569 875 427 1,877 962 506 409 59 58 1979 hall Place, one of a row of Issues Traded lay. Nay. Nov. Nov. High Low houses which in 1829 became the Met's administrative offices.

Change

Change
Change
Traded price dey
321,300 41% -2½
241,600 53% - %
241,600 53% - %
241,600 53% - %
241,600 55% - %

traded 321,300 241,600 241,800 241,600

NEW YORK ACTIVE STOCKS

Bosing General Motors Valley Ind. ... General Motors Mobil

Change

Closing en price dsy 25% + % 23½ - % 82 - ½ 17½ - % 34¾ + ½

traded 532,100 488,000 355,100 349,900

Occ. Petroim. .

Téaero . Gulf Oil

525 Muench Ruck. 145 Preusseg....... 241 Rosenthal...... 205.3 Schering

208 119

550 154 248 206,5 251.8 78.5 163 142.5 272 172

Brazil and Spain Prices: Page 20

HOTES:—Prices on this page are as quoted on the individual exchanges and are last traded prices. 2 Ocalinga suspended. xd Ex dividend. xe Ex acrp issue. xr Ex rights, xe Ex all,

PENDING DIVIDENDS

JAPANESE SHIPPING COMPANIES

Sharp recovery in first-half profits

companies, Nippon Yusen, Mitsui OSK Lines, Kawasaki Yamashita-Shinnihon Steamship and Japan Line all showed rapid recoveries in earnings for the first half of the year. The improvement was due to a recovery in the volume of export shipments and higher dollar-based freight income resulting from the depreciation of the yen against the dollar.

Nippon Yusen, the world's largest shipping company in terms of bulls owned, reported operating profits of Yf. 45bn, up 60.5 per cent, and net profits of 50.5 per cent, and het profits of Y2.25bn, up by 8.4 per cent. Sales gained 2.7 per cent to Y196.69bn. Despite lower rates of operation of regular liners (down to 75 per cent). Nippon Yusen's profitability recovered significantly, benefiting from gains in dollar-based freight. Its tramp line, with chronic deficits in the past, returned to the black which contributed to the black which contributed to the largest shipping company in ence on the busy tramp business nverall earnings recovery. For Japan returned to the black (lumber and grain).

BY KEVIN DONE IN FRANKFURT

sales to increase by 10 per cent

this year compared with 1978. Order books after the first nine months are standing 17.5 per

cent above last year's level.

The development of the busi-

ness has been uneven bowever.

books coming from increasing

demand for mechanical bandling

between a group of 17 banks

and Aluminium Bahrain (Alba).

will boost production capacity

Bank of England Minimum Lend-

ing Rate and demand for the

left all periods at a discount by

Tuesday. Between Friday Novem-

against the dollar.

GOLD

with the main boost to order

JAPAN'S five major shipping the full fiscal year ending next with the operating profits of March, Nippon Yusen expects Y724m, compared operating profits of Y9.5bn, up operating deficit of 50.7 per cent, and net profits of Y3.8bn, up 14.8 per cent, on sales

> loss of Y1.56bn a year ago. Net profits advanced to 2.09bn from the previous year's net deficit of Y565m, on sales of Y176.24bn, up 5.1 per cent. The upturn in earnings was attributed to the recovery in tramp market (mainly grain carriers) and higher freight charges in dollar terms resulting from the depreciation of the yen.

These favourable factors more than offset the rise in fuel prices, which more than doubled over the same period in the previous year. Kawasaki Kisen, the third

Linde expects increase in sales

THE WEST GERMAN engineer- (\$1.68bn), a record, and some The company's main activity ing concern, Linde, is expecting 21 per cent above the value of is the manufacture of mechani-

quarter.

Forward sterling weakened on ber 9 and last Tuesday three-

ponnd in the spot market. Selling of the pound forward and a rise in Eurosterling interest rates increased sterling's discount month Eurodollars fell from 15; per cent to 15;

against the dollar.

At the end of the previous week the pound for periods of up to three months forward delivery remained at a premium against the U.S. currency, but a fair idea of market expectations expectations of a rise in MLR at that time, although others con-

November 15

\$390.361 (£180\q.161) \$386\q.387\q. (£179\q.180\q.) \$386.75 (£179.884) \$590.36 (£180,009)

Gold Buillon (fine out

Gold Coins

THE DOLLAR SPOT AND FORWARD

Iraland are quoted in U.S. currency. Forward premiums and discounts eggly to the U.S. dollar and not to the individual currency.

level.

increase in MLR was at least 1

sidered 16 per cent as a likelier

\$397.398 \$665.405 \$991.-1001 \$1061.-1081 \$1061.-110 FFF405.415 \$485.487 \$260.362 \$495.500 \$253.270 \$230.240

November 16

(£178²4-179¹4) (£184-184²4) (£185.172) (£180.290)

(£1851₂-1851₂) (£165-190) (£451₄-471₄) (£461₂-51) (£501₂-52) (3Fr160-163)

0.a. months p.a.

2.89 1.0-0.90 pm 1.76
6.74 1.40-1.20 pm 2.48
0.71 0.31-0.27 pm 0.98
4.65 2.43-2.33 pm 4.79
1.06 97-72 pm 1.18
-9.71 4.50-5.00dis -3.62
6.23 2.94-2.84 pm 6.50
-4.76 3.8-86 dis -4.21
-7.22 120-140 dis -7.83
-1.81 9.0-5.76 dis -2.60
0.89 2.75-2.0 pm 1.89
1.60 1.45-1.25 pm 1.30
1.84 2.60-2.44 pm 7.25
6.63 23-0-20.5 pm 6.82
11.85 4.70-4.65 pm 11.36
i premiums and discounts

year ago, thanks to a recovery Y2.6bn, np 217 per cent, and in the tramp and tanker marnet profits of Y1.5bn up 25 per of Y420bn, np 17.2 per cent over kets. Net profits amounted to cent, on sales of Y175bn, up Y293m, against a net deficit of 28.8 per cent over a year ago.

Y260hn, up 17.5

Y280hn, up 17.5

fiscal 1978.

Yamashita-Shinnihon Steamship also reported a strong rise,
with operating profits np 217.2

e per cent to Y1.65bn and net
el profits up 94.8 per cent to
an Y915m, on sales of Y86.57bn up
in 241.1 per cent over a year ago.
The recovery was attributed to
the Company's heavy dependwind the Company's heavy dependwind the busy tramp business

The recovery was attributed to the previous year's Y16bn and a net deficit of Y2bn, compared with the previous year's of
Y12.4bn, on sales of Y278bn, np
22 per cent over fiscal 1978.

with the operating profits of For the full fiscal year end-Y724m, compared with an ing next March, Yamashita operating deficit of Y2.64bn a expects operating profits of

A spectacular recovery in Y795m a year ago, on sales of earnings was shown by Mitsui Y129.41bn, up 14.6 per cent over to year. The company's operating profits recovered to year. For the full fiscal year the assistance of the Industrial ending next March, Kawasaki Bank of Japan, also improved the profits of Y1.567bn, against a net dening a year ago.

Y255m, against a net dening in 2005 per cent over a year ago.

Y255m, against a net dening in 2005 per cent over a year ago.

Y255m, against a net dening in 2005 per cent over a year ago.

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Y255m, against a net dening in 2005 per cent over a year ago.

Y255m, against a net dening in 2005 per cent over a year ago.

Y255m, against a net dening in 2005 per cent over a year year. For the full fiscal year the assistance of the Industrial ending next March, Kawasaki Kisen expects operating profits of Yl.Sbn, against the previous year's operating deficit nf Y2.8bn. Its net profits are expected to reach to Y500m, np perced to reach to Y500m, np 278.8 per cent on sales of Y907m; from Y5.45bn a year y260hn, up 17.9 per cent over ago. Sales totalled Y188.47bn, up 22 per cent. A resovery of

well ahead at

By L. Daniel in Tel Aviv CLAL INDUSTRIES, the indus-trial division of Clal, Israel's largest investment company, made net profits of 1£254m (about \$8m) for the first half of the current fiscal year. This rise, grossed up nn an annual

However, capital gains made

Clal Industries halfway stage

basis, representes an increase of 131 per cent, well ahead of the rate of inflation.

up a large part of the pre-tax profit, and as a result taxes were considerably reduced in the period under review compared

U.S. bank opens in Portugal

MANUFACTURERS Hanover Trust Company, the U.S. bank, has opened a representative office in Lisbon, the second foreign bank to do so since the 1974 revolution. Citibank, the second largest U.S. bank, has had an office here since March

For the convenience of readers the dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements, except where the forthcoming board meetings (indicated thus') have been officially published. It should be emphasised that the dividends to be declared will not necessarily be at the amounts or rates per cent shown in the column headed "Announcement last year."

	Announce-		Announce-
Date	ment last year	Date	ment last
ANZ	Final 11 cents	Lond. Mrchnt.	
Airfie IndsNov. 28	Int. 1.3772	SecsDec. 13	Int. 0.335
	IRL 1.3716	MEPC	Finel 2.328
Armitage		MarleyDec. 14	Final 1.781
ShanksDec. 8	Int. 2.01	At forces	
Associated ·		Meyer 11	Int. 2.0
CmmnotnsDec. 14	Int. 3.1	(Mntgue_L)Dec. 11	tet 777
Associated .		Metal Box Nov. 20	Finel 2.8
EngineeringDec. 13	Final 3.82	Mitchell Cotts Dec. 7	
Assoc. Dairies Jao. 30	Int. due	Norcros	Int. 1.75
	Final 6,357	Northern .	
Avon RubberNov. 28 Bakar ParkinsDec. 7		FoodsDec. 19	. Final 2.25
	int. 2.1 Finst 4.3	Pauls and	
Basa		WhitesNov. 22	Int. 1.75
BeechsmNev. 22	lat. 9.58	Pegiar-	
BPB IndsNov. 28	Int. 4.2	HattersleyDac. 7	Int. 3.55
Berthwick (T.) Dec. 12	Final 3.8	•Pilkington	
BOC IntOnc. 20	Final 1.851	BrosBec. 5	int. 3.3
Brockhouse _Nov. 22	Finst 2.245	*Pawell	
Brows		Duffryn Nov. 22	int. 3.5
(Metthew)Nov. 28	Final 5,28	Prop. Hida.	
Capital end		Inv. TstDec. 12	Int. 3.0
Counties_Nov. 23	Int. 0.7	►Recai	
Charter Cons. Nov. 15	Int. 3.025	ElectronicsDec. 2	Int. 1.9
CompAirDec. 13	Final 2.387	RHM Dec. 5	Final 1.968
Courtaulde Nov. 22	Int. 2.688	*RMPDac. 10	Final 2.85
Court New Dec 18		*RedlandNov. 22	Int. 2.551
Crown HeeDec_ 18	. Sec. Mil. 120	*RenoldNov. 22	Int. 2.7
Daily Mail &	Int. 4.9	*Rothmane	
Gen. TstNov. 29 Dewson lotNov. 26	Int. 3	IntatiNov. 22	Int. 0.8
Distillers Dec. 14	tnt. 3.0	Royal Sk. of	
Dobson		ScotlandNov. 30	Final 1.565
Park IndaDec. 12	Final 2.5	Scot. & Nwesti.	1.1
Ferguson Ind Nov. 22	Int. 5.0	2rewsDec. 20	Int. 1.45
Ferranti	Int. 1.917	600 GroupHov. 30	IRL 2.035
French Kier Nov. 22	Int. 0.825	Selection Tat Nov. 12	Sec. Int. 5.0
Gen. BectricBec. 7	Int. 2.25	*SerckDec. 11	Final 4.334
Gold Fields of		Sotheby Parke	
SA GroupDec. 11	int. dus	BernetDec. 18	Final B
Gt. Portlend		StenhouseDec. 14	Final 27
EstatesNov. 19	Int. 1.0	*Stockholders	
GUS0ec. 7	1nt. 4.029	Inv. TstNov. 21	Final 1.35
Grinness (A.) Occ. 15	Final 5.22	*TescoNov. 27	Int. 0.789
Guthrie Dec. 13	Int. 6.D	Trancei	Int. 4.0
Hambros Hov. 20	Int. 42.0	UKO Int Nov. 30	lot. 3.2
Hanson Trust Dec. D	Final 4.04	Ifted Gas IndDec. 14	ist. 1.105
Hays Wharf Nov. 23	Final 4.631	Vaux BrewsDec. 13	Final 3.54
Heath (C. E.) Hov. 20	Int. 1.621	Vierd and	Int. 0.9
Homfray 0ec. 21	Final 1.8125	GoldstoneDec. 12	
ICL	Final 5.431	"Wedgwood Nov. 21	int. 1.75
Initial		Whitecraft Dec. 11	Int. 25
Services Bec. 15	Int. 1.5	Wilkinson	Int. 4 222
Intl. Timber Dec. S	Int. 4.288	MatchDec. 14	Int. 4.223
Johnson		Wivrhmpm. &	Final 4.56
MattheyNov. 29	Int. 6.S	Oudley BrwsDec. 4	THE 4.30 .

LOCAL AUTHORITY BOND TABLE

Anthority (telephone number in	Annual gross interest		Minimum sum	Life of bond
parentheses)	- %		£	Year
Barnsley (0226 203232)	. 14	1-year	250	.3
Bradford (0274 29577)	. 12;	4-year	500	2 :
Hampshire (0982 4411)		1-year	500	1-3:
Knowsley (051 548 6555)		4-Zear	1,000	1
Poole (02013 5151)		-year	500	3-4
Poole (02013 5151)		-vear	500	5
Poole (02013 5151) :		-year	500	6-7
Redbridge (01-478 3020)		2-year	200	34 .
Wrekin (0952 505051)		maturity	5,000 1-	2mths.

LG. Index Limited 01-351 3466. March S 29 Lamoot Road, London SW10 0HS. 1. Tax-free trading on commodity futures. 2. The commodity futures market for the March Sugar 177.95-179.65

BASE LENDING RATES

The commodity futures market for the small investor.

A.B.N. Bank	3 Hambros Bank
Bank of N.S.W 14 %	Midland Bank 17 %
Banque Belge Ltd 17 % Banque dn Rhone et de	🖻 Samuel Montagu 17 %
la Tamise S.A 171%	Morgan Grenfell 14 %
Barclays Bank 14 %	National Westminster 151%
Bremar Holdings Ltd. 18 %	Norwich General Trust 17 % P. S. Refson & Co 17 %
Brit. Bank of Mid. East 17 %	P. S. Refson & Co 17 % Rossminster 17 %
Brown Shipley 17 %	Ryl. Bk. Canada (Ldn.) 17 %
Canada Perm't Trust 17 %	Schlesinger Limited 17 %
Cayzer Ltd	E. S. Schwab 17 %
Charterbouse Japhet 17 %	Security Trust Co. Ltd. 15 % Shenley Trust
Choulartons 17 %	Standard Chartered 17 %
C. E. Coates 17 %	Trade Dev. Bank 14 %
Consolidated Credits 14 %	Trustee Savings Bank 17 %
Co-operative Bank *17 %	Twentieth Century Bk. 15 %
Corinthian Secs 14 % The Cyprus Popular Bk. 14 %	United Bank of Kuwait 17 % Whiteaway Laidlaw 171%
Duncan Lawrie 17 %	Williams & Glyn's 17 %
Eagil Trust 151%	Yorkshire Bank 17 %
E. T. Trust Limited 14 %	Members of the Accepting Houses
First Nat. Fin. Corp 151%	Committee.
First Net. Secs. Ltd 151% Robert Fraser	* 7-day deposits 15%. 1-month deposits 15%%.
Antony Gibbs 17 %	f 7-day deposits on sums of £10,000
Greyhound Guaranty 151%	and under 15%, up to £25,000 15% and over £25,000 15%.
Grindlays Bank	# Call deposits over £1,000 15%
Guinness Mahon 14 %	§ Camend deposits 115%.

RECENT ISSUES

	EQUITIES										
lesue Price pt	Amount Paid Up	Renune. Date	16 High	79 Low	Stock	Price to	+01	DIV. P. Amount	Times	Gross	Ratio
665 125 125 R2 715 FL7-56	150 F.P. F.P. F.P. F.P.	Ξ	166 105 176 118 151 12 285	119 71 ₂	B.P. New'. Fogarty (E) Defd Link House 20p. Rosehaugh 10g 15880L R1 Stewart Naim. Vitatron N.V. Fl.0.25	100 m 119 71-	+2 +2 -2	16.75 u7.0 T160 0.15 bFt.04	1.7 2.2 2.4	7.7	12.8 6.6
		F	IXF	D	NTFDEST (STO	CL	18		_	

Price to Pri		High Low			Stock	Closing Price £	+0	
\$100 861 ₂ 881 ₂	F.P. F.P. F.P.	16/11 5/11	102 105p 599 991, 991, 106	\$99 69 88 96	Bristol Waterworks 8% Red. Pref. 1984 Cambridge Water 8% Red. Pref. 1984 Eastbourne Waterworks 8% Red. Pref Forminster 10% Cum. Pref Hill Samuel Fleeting Rate Notes 1922 London Trust 15% Deb. Str. 2000-04 Mucklow A. & J. 181% 1st let. Db. 2000-65 Startrifts Eng.11% Cum. Pref Wintrust 101% Cum. Pref	97 95p 8971 ₂	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	

Issue Price	155 255 257	Renunc.	1972		E 6.	4 01
p‡	\$E	6 3	High ! Low	Stock	Prioses prioses	-
A\$4.50 500 500 44 93 65 8M1.5 96 40 57 46	F.P. F.P. F.P. F.P.	30/10/23/11 7/11/30/11 2/10/12/11	800 670 8pm 62/44 11112 92 78 59 80pm 91com 100 90 45 401 9pm 14pm	BH Proprietary. Cope Sportswear. Duncan (Watter) & Goodricke. Francis Inds Repworth Ceramics. Ibstock Johnsen itkurm (Laporte Inds. M. Y. Dart Newman Tonks. Wace Group.	250pm 41	1 +2

Renunciation date usually last day for dealing itse of stamp duty. b Figures based on prospectus estimate. 9 Assumed dividend and yield a Forecast dividend; cover based on previous year's semings. F Olvidend and yield based on prospective or other official estimates for 1979. Q Gross. T Figures assumed. S Cover allows for conversion of states not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pr Pence voless otherwise indicated. § Issued by tander. ¶ Officered to bolders of ordinary charges as 6 "rights." ** Issued by tander. ¶ Officered to bolders of ordinary charges as 6 connection with reorganisation, merger or takeover. ¶ Introduction. ☐ Issued to former preference holders. ■ Allotment latters (or fully-paid). • Provisional or party-peid altoment letters. ** With warrants. †† Unitered security. ‡‡ 12. es units comprising 2 income shares and 10 Capital charges at 125p per unit.

Every Monday: This Tuesday:

Every Wednesday:

This Thursday: Every Friday: Every Saturday:

The Offshore Energy Page Special Survey on Sunderland and Bank Line Bunkering and Port Delays. Special Report on Schleswig-Holstein The Freighting Page

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Law Reports

THOMESON Soviet mo lassive sums

Our Eurobanking Services

Luxembourg

We are the wholly-owned subsidiary in Luxembourg of Badische Kommunale Landesbank, a leading German bank headquartered in Mannheim. Our Burobanking services include dealing in the

Money Market and Foreign Exchange

Our Biro-specialists have we trade in feed-interest the proven ability to deat securities. Successfully in the money markets both on an interbank and institutional basis contact: - and the skill to provide effective foreign exchange cover for clients active in international trade. Complementing ourmoney markets and foreign ex-

• Albert Feilen -Managing Director, Syndicated Euroloans; • L Ottaviani --

Money market and Foreign change operations, we manage or participate in fixed-interest or roll-over syndicated Euroloans; and security trading exchange dealing;

Singer & Friedlander Ldn. Agents. 20, Carroo St. EC4. 01-248 9546

Dekafourk | Dig21.51 | 24.75 | 6.46 Tokyo Trust Nov. 1 | USSTION | 2.46

TSB Unit Trust Managers (C.1.) Ltd.
10, Wharf St., St. Heller, Jersey (Cl). 0534 73494
158 Jersey Funt. 44.6 46.9 512
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Prices on Hos. 14, Next sab, tay Nos. 21.

TSB ERI Fund Managers (C.L.) Ltd.
20 What St., St. Heire, Jessey (Ch. 053473694
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Takyo Pacific Heldings N.V.
Infinis Management Co. N.V., Curacan.
NAV per share November 12 US\$64.34

Tokyo Parific Hidgs. (Seahoard) N.V. lotinis Management Co. N.V., Carazan. NAV per share Nov. 12 US\$46.68. Tyndall Group

9.7Z

Standard Chartered futi, Bd. Fd. 37 rie Notre-Dane, Lizembourg, NAV Nov. 14 US\$9,68

BADISCHE KOMMUNALE LANDESBANK INTERNATIONAL S.A.

9, bd. Roosevett • P.O. Box 626 • Luxembourg-Ville • Tel.: 475991-1 Tel.: 475315 (Dealers) • Teleo: 1791, 1972 (Dealers), 1793 (Credits)

UNIT TRUST SERVICE

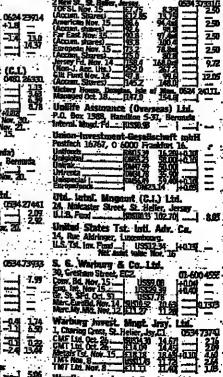
OFFSHORE & OVERSEAS—contd.

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RottischBd Assat Mgt. (Bermudz) P.O. Box 664, Bk. of Bermuda Bid., Bermud Reserve Assats Fd.1818972 9.99 11 Prices on Mor. 13. Next Geolley Mon. 20.

Royal Trust (C.I.) Fd. Mgt. Ltd. P.O. Sex 194, Royal Tst. Hst., Jersey. 0534 27441 RT. Intl. Ld. 1859.00 10.0000 2.09 RI. Intl. Ld. 74.00 2.09 Prices Nov. 13. Next dealing Nov. 20.

144 -14 134 114 -14 132 La Motte SE, SL Heller, Je



OJ-600455 Warburg Invest. Mangl. Jary. Ltd.

J. Charing Gress, St. Heller, Joy. C.

CMF Ltd. Oct. 25. 5835430 1457 275

CMT Ltd. Oct. 25. 5835430 1457 275

Returns 15. Nov. 15. 58813 18.48 1111 440

That Nov. 8. 51111 1448 15.

with Floor, Hutchison House, Hong I Wardley Trust — 1883/19 18.961 Wardley Turst — 1883/19 18.961 Wardley Hold I Floor | 1883/19 18.961 Wardley Japan Free | 1883/10 18.961 Wardley Japan Free | 1883/10 18.961 Wardley Japan Free | 1883/19 18.961 Wardley Japan Free | 1883/19 18.961 Wardley George's St., Dougles Johl Wardley George's St., Dougles Johl Wardley Comment, Tat. 1874 1874

· Collar Short term.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London 14.80-14.90 per cent; one year 16.65-13.76 per cent.

2.1400-2.1700 2.1580-2.1600 0.57-0.47e pm 2.0750-2.0830 2.0840-2.0890 0.75-0.55e pm 1.1818-1.1821 0.09-0.05e pm 28.69-28.75 6.2525-6.2540 2.25-2.75e pm 1.7710-1.7880 1.7705-1.7775 1.7710-1.7880 1.7705-1.7775 1.525-6.255 66.41-66.60 66.42-66.47 82-75-829.50 827.75-829.50 4.1655-4.1900 4.1625-4.1675 0.57-0.47c pm 4.2325-4.2415 4.2325-4.2350 0.75-0.56re pm 12.74-12.84°, 12.74-12.78 1.6400-1.6500 1.6455-1.6400 1.6500 1.6455-1.6400 1.6500 1.6455-1.6400 1.6500 1.6455-1.6400 1.6500 1.6455-1.6400 1.6500 1.6555-1.90e pm 1.6400-1.6500 1.6500 1.6555-1.90e pm 1.6400-1.6500 1.6555-1.90e pm 1.6400-1.6500 1.6500 1

Dutch Guilde Swiss Fran Mark French Franc Hallen Lire 91₂.93₄ 61₂-93₄ 93₄-10 103₆-106₈ 101₄-101₂ 27₅-101₆ 114-12 19-121₂ 127₈-131₆ 14-141₄ 14-141₄ 13 kg. 1634 147-1416 1678-1676 1516-1676 1278-1414

LONDON MONEY RATES

Nov. 15 1979	Sterling Gertificate of doposit	Interbank		Local Auth- negotiable bonde	Finance House Deposits	Сопрелу	Discount market deposits	Treasury Biita &	Eligible Bank Bills &	Fine Trade Bills 4
Overnight 2 days notice	=	5-17 —	174-174	=	=	17	8-17	=	=	=
7 days or 7 days notice		164-17	178-174	=	173¢	1774	165g-165g	-	=	=
One month Two months	176-17	1714-1776 1714-1736		19-181 ₂ 18 ¹ 4-181 ₂	1754 1754	1754	161 ₂ 153 ₈	151g 121g-161g	1770-18 17 ₁₆₋ 174e	184 18
Three months Six months Nine monthe	1659-164	171g-171g 161g-163g 16-164g	17-17 ¹ 8 121 ₂ -1658	1754-1712. 1718-1654 1654-1214	1784 171 ₈	1712	-	16 ₁₄ -15 ₁₃	151g. 1554	17½ 165
One year Two years	1668-1510	154-16	14%-15% 14%-15%	161s-157g	153 ₄ 165 ₅	Ξ	=	=	Ξ	Ξ

rates nominally three years 144-154 per cent four years 144-155 per cent five years 144-155 per cent. • Bank bill rates in table ere buying retes for grime pager. Suying rates for four-month bank bills 163-163 per cent lour-month trade bills 17 per cent.

Approximate selling rates for one-month Treasury bills 153 per cent, two-months 165 per cent, three-months 16 per cent. Approximate rates for one-month bank bills 172-173 per cent, two-months 173-173 per cent, three-months 163-163 per cent, one-month trade bills 19 per cent, two-months 173 per cent and three-months 174 per cent. Finance Houses 6sse Rates (published by the Finance Houses Association) 163-per cent from November 1. 1979. Clearing 2snk Deposit Rates for sume et seven days notice 112-12 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 16.1843 per cent.

Sales for the first nine months of the year at DM 1.8bn (\$1.01bn) were marginally grew by 17.6 per cent in the first nine mouths of the year, while sales increased by 14.6 below the same period of last year, but the slight fall is per cent to DM591.4m. accounted for by sales of some Sales of refrigeration and major items of plant equipment cold store equipment rose by 1.6 per cent to DM 329m, and

equipment, such as fork-lift trucks, and orders in this sector

being delayed into the fourth The group's order book is standing at just over DM 3bn on 1978, Linde said. Sales for the whole year are turnover in the industrial gases division increased by 8.5 per cent to DM 400m.

Alba signs \$70m credit deal

It is to part-finance Alba's Offered Rate for the first five
\$120m expansion project, which years, and a per cent thereafter. The major portion will cover
the contract awarded to John Lead managers are Gulf Inter- Brown Engineering of Clyde-

orders in hand at the same point cal bandling and hydraulic

A \$70m LOAN agreement was The loan is repayable over 10 agent signed in Bahrain last week years, and includes a three-and-Mid Midland Bank has won a mana-half-year grace period. Interest date for np to \$30m of ECGD will be at a rate of \(\frac{1}{2}\) per cent credit, and will provide the over the Bahrain Interbank whole of the finance itself.

from 120,000 to 165,000 tonnes a national Bank and National bank for five turbine generators had year.

Westminster, with GIB acting as worth between \$16m and \$17m. 1978.

CURRENCIES, MONEY and GOLD

weakened on ber 9 and last Tuesday three month Eurosterling rose from movements in forward currency the EMS began in March, while rates were largely the result of the Ialian lira—previously the changes in interest rates. During the same time three month Eurodollars fell from 151 month Eurodollars fell from 152 month Eurosterling advanced the Danish krone and the form the cent the course of the veek three taken by not only the franc but from the cent the course of the per cent to 153 per cent. cent higher.

Over the same period European interest rates were generally steady, although French domestic and Eurofrance from 1 per cent below the corresponding Eurodollar rate to 2 per cent higher.

D-mark.

A further world in

eased, after Paris call money in New York on Friday prime tonched a five-year high of 12th rates were 15th 15th per cent; per cent on Monday. The French franc became the strongest member of the European through Monday. The Strongest member of the European through the strongest member of Monetary System last cent.

OTHER MARKETS

per cent on Monday. The French franc became the strongest member of the Euro-

Nov. 18	£	•	1	Note Rates
Argentina Peso	3340-3660	1550-1560	Austria	27.85-27,65
Australia Dollar	1.9770-1.9796		Beiglum	52,90-53.50
Brazil Cruzoiro	66.78-67.29	50.95-51.15	Denmark,	11.28-11.35
Finland Markka	8.17-8.19	6.7960-3.7980	France	8.26-9.03
Greek Drachma	79.815-81.762	67,50-37.45	Germany	3.83-3.86
Hong Kong Dollar	10.823-10.85%	5.0180-5.0200	Italy	1795-1845
iran Risi	n/s	R/#	Japan	530-535
KuwaitDinar (KD)	0.594-0.604	0_2792-0.2795	Natharlande	4.24.4.27
Luxembourg Fro-	61.95-62.05	66.71.48.75	Norway	10.80-10.88
	4.7820-4.7460	8.1970-2.1980	Portugal	106-114
New Zealand Illr.	6.2295-6.2675	1.0280-1.0300	Spain	1411g-1501g
Saudi Arab. Rival.	7.18-7.28	5.8690-8.8710	Switzerland	3,584-3,564
Singapore Dollar.	4.6934-4.7134	9.1880-9.1890	United States	2.152-2.165
Sth. African Rand	1.7806-1.7846	0.8800-0.8610	Yugoslavia	454-483

THE POUND SPOT AND FORWARD

Nov. 19.	Dey's sgread	Closes	One month	% p.s.	Three months	% p.a.
U.B.	2.1400-2.1700	2.1580-2.1600	0.57-0.47c pm	2.89	1.0-0.90 pm	1.70
Canada	2.5276-2.5575	2.5505-2.5525	0.88-0.78c pm		1.85-1.75 pro	
Hethind.	4.24-4.29	4.263-4.273	3-2c pm		7-6- pm	5.20
Belgium	61.70-62_40	61.95-62.05	22-12c pm		45-35 pm	2.50
Denmark	11.27-11.36	11.33-11.35	1-24 ore dis		44-6% dis	-1.8
Iraland	1.0305-1.0375	1.0335-1.0345	0.05-0.15p dis		0.22-0.32dis	-1.04
W. Ger.	5.81-3.85	3.837-3.847	33-23 pm		84-74 pm	8.21
Portugal	108.50-109.20	108.85-109.19	par-80c dis	-4 40	35-185 dis	-4.00
Spsin	142.45-143.90	143.40-143.50	par-50c dis		115-125 dis	-3.3
Italy	1,774-1,789	1,796 - 1,788 -	14 fre pm-4 dis		34-5% dis	-0.95
Norway	10.79-10.90	10.84-10.85	47-24ors pre		102-83 pm	5.47
France	8.94-9.01	2.934-8.994	34-24c pm		64-54 pm .	2.7
Sweden	9.07-8.15	8.137-8.147	4-Zors pm			3.72
Japan	627-635	5311-5321-	4.45-4.00y pm		91-75 pm	
Austria	27.42-27.57	27.50-27.55	25-15gro pm		12.0-11.60 pt	6.72
Switz.	3,53-3,57	3.55-3.56	41-31c pm		65-55 pm 113-103 pm	12.24

ielgian rete is for convertible france. Finencial franc 63,15-63,25. Six-month forward dollar 1.57-1.57e gm, 12-month 3,50-3,45c pm.

certificates of deposit: one-month 14.40-14.50 per cent; three months 15.15-15.25 per cent; elx months

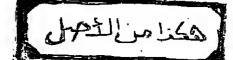
Long-term Eurodollar two years 12'-13's per cent three years 12'-12's per cent four years 12'-12's per cent five years 12'-12's per cent nominal closing rates Short-term rates are cell for eterling. U.S. dollars and Canadian dollars; two-day call for guilders and Swizs france. Asien rates are closing rates in Singapore.

CURRENCY RATES Bank rate Brawing Rights

0.601524 | 0.64761 1.59577 61₂:2,55802 91₂:5,40358 12 Unavail 1155,78 344,400

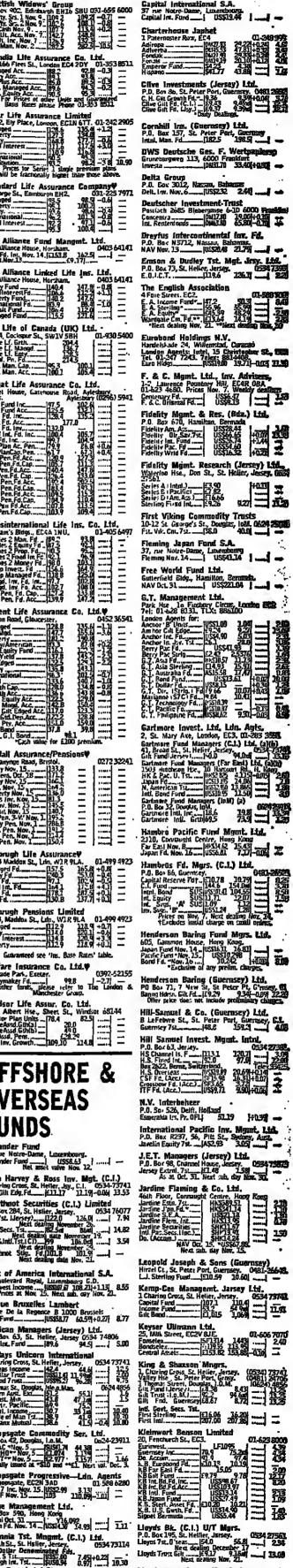
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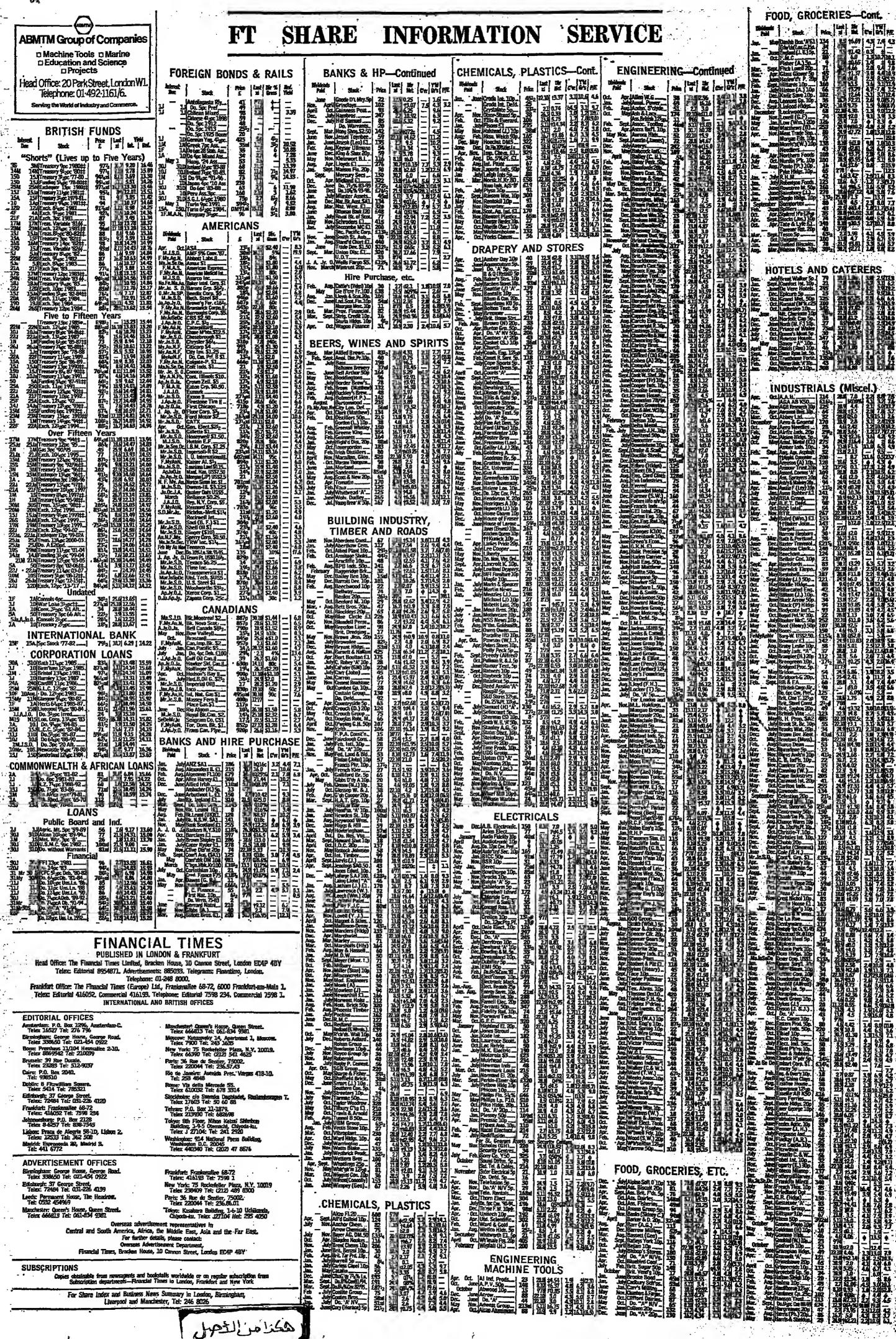
FT UNIT TRUST INFORMATION SERVICE

	FT UNIT T	KO21. IVI	FURMATION	SERVIC	E
AUTHORISED Observationsary Unit F 22 Otompield St., EC2M 77. Dis., Inc., Mon. 16	AL 01-6384495 14-18, Grestman St., ECZY 7AU. 01-606 809: 9 135.6m[-207] 6.03 19.07 19.02 19.09 100.9] 19.00	Commodity 45.3 47.9s -1.3 3.7 Financia 60.1 65.3 +0.4 5.3 Equity 36.1 39.0 -0.4 5.4 Exempt Inc. Nov. 7 308.1 22.8 7.6 Exempt Acctum 79.5 313.8 7.6 Git Accum 114,9 120.7j +3.3 1.5 Git Accum 114,9 120.7j +3.3 1.5	Do Annaly Uts 30.91 - Ass Do Confederation Life Insurance Co. 18-	ndon A'deen & Nthn. Mil. Assur. Lin. P Kingsway, London, WC28 6NF. 01-404 0393 set Bribler 48.6 51.2	Scottish Widows' Group PO Box 902, Edinburgh EHID SBU 031-655 6000 Inv. Pty. Sc. 2 Nov. 9: 100 2: 109 27 -0.71 Inv. Pty. Sc. 2 Nov. 9: 101 6: 108.11 -0.81 Inv. Cash Nov. 9: 101 6: 108.11 -0.81 Inv. Cash Nov. 7: 102.7 Exe. Ut. Acc. Nov. 7: 102.7 Ec. Ut. Nov. 7: 102.7 Ec. Ut. Nov. 7: 102.9 Ec. Ut. Nov. 7: 102.9 Ec. Ut. Nov. 7: 102.9 Ec. Ut. Nov. 8: 202.5 -10.5
TRUSTS Abbey Unit Tst. Magrs. (a) 72-80, Gatehouse Rd., Ayleshury Abbey Gilt Int. 7st. 1703.5 Abbey Captiol 323 Abbey Income 38.0 Abbey Gen. Trust. (30.7 Abbey Gen.	72.6]	Pacific Income 21.9 23.1 -0.2 27.8 -0.4 27.1 Pacific Account. 25.0 27.8 -0.4 27.1 Pacific Account. 27.3 25.5 +0.1 20.1 Professional Nov. 14.150.2 161.5 pt. 37.1 Professional Nov. 14.150.2 161.5 pt. 37.1 Professional Nov. 14.150.2 161.5 pt. 37.2 Special Sinustions 20.3 21.9 4.8 Target Tst. Magrs. (Southand) (e)(h) 1.9, Athol Crescert, Edin. 3. 031.229.8621.4 According Epide. 17.6 E. 20.8 -0.1 2.9 8.21.2	### Waltarased Fund 133 1372 Fib. ### Pure Fund 133 1372 ### 1372 ### Pure Fund 133 1372 ### Pure Fund 134 1372 ##	ndon Life Linked Assur, Ltd. Indon Life Linked Assur, Ltd. I	Skandia Life Assurance Co. Ltd. 161-166 Firet St., London ECA 2DY 01-353 8511 Maraged Acc
Alten Harvey & Ross Unit Tst. Magrs. 45, Cambill, London EC3V 3PB. Ul-623 6314. Acidm. Units — 224. Alter Hambre Group (2)(g) Hambre Hse. Hutten, Brentwood Esser. 64, London Wall, EC2M 5	10 3 3 5 5 5 5 5 5 5 5	American Engle 36.2 2.0 -0.1 2.1 Thisle 1.5 18.7 18.8 -0.1 2.1 Thisle 1.5 19.7 18.8 -0.1 2.1 19.7 19.8 19.8 19.8 19.8 19.8 19.8 19.8 19.8	Spec Nov 15 195.0 265.5 7.0 Conf. of the con	6 Lendon & Manchester Ass. Cp. 9 slade Park, Exeler. 0392 52155 c. Growth Fund 224,7 ex. Exempt 64	Solar Life Assurance Limited 10/12 Ely Place, Loncon, ECIN 617, 01-242 2905 Managed
Balance Fuel Section 10.5 1	48.8 -0.8 5.54 Japan & Pacific E2.6 35.3 2.10 10.2 -0.2 2.43 Do. Accum. 32.9 35.6 2.10 10.4 -0.2 2.43 Prices at No. 15. Next dealing Nov. 23. 10.4 -0.2 2.43 Prices at No. 15. Next dealing Nov. 23. 10.4 -0.2 2.43 Prices at No. 15. Next dealing Nov. 23. 10.4 -0.2 2.43 Prices at No. 15. Next dealing Nov. 23. 10.5 Prices at No. 15. Next dealing Nov. 23. 10.5 Prices at No. 15. Next dealing Nov. 23. 10.5 Prices at No. 15. Next dealing Nov. 23. 10.5 Prices at No. 15. Next dealing Nov. 23. 10.5 Prices at No. 15. Next dealing Nov. 23. 10.5 Prices at No. 15. Next dealing Nov. 23. 10.5 Prices at No. 15. Next dealing Nov. 23. 10.5 Prices at No. 15. Next dealing Nov. 23.	(Accust Units) 160.5 169.0 -2.5 7.7 Card. Nov. 14 (97.7 53.3) 8.4	Crown Ule Rise, Warma GU21 1XW 04862 5083 M Crown Ule Rise, Warma GU21 1XW 04862 5083 M Many of Fund Acc. 118.7 114.4 1\(\) 12.45 Am Many of Fund Acc. 118.7 116.8 10.1 9.45 Am Many of Fund Acc. 118.7 118.1 10.1 10.1 Com Seatily Fund Acc. 118.7	& G Group♥ ee Qrays, 7ower Hill, EC3R 680, 03-626 4588, erican Fd. Bord* 51.9 54.6 mer; Deposit 129, 136.3 mer; Deposit 143,6 150.9 ar Yielaff, Rd.* 831, 87.4 mily 1960*** 235.0 mily 1960*** 231, -20	Standard Life Assurance Company♥ 3 George St. Eninburgh EH2 93.5 93.6 9 Property 95.1 100.2 98.5 −0.4 9 Fourty 96.2 101.3 −0.8 9 Fued Interest 97.2 97.1 −0.6 −0.6 −0.6 −0.6 −0.6 −0.6 −0.6 −0.6
International Fonds 25.0 26.8 0.2 3.00 Public Trustee, Kingstee, Pacific Fund 26.9 39.5 0.5 322 Capital Nov. 8. 11.00. 12.5 Specialist Funds 54.5 53.5 40.1 246 Gross Irc., Nov. 8. 178.4 17	102-95-4300 01-405-4300 01-405-4300 01-405-4300 01-522-817/3 01-405-4300 01-522-817/3 01-405-4300 01-522-817/3 01-52-817/3 01-52-81	Van. Greet, Nov. 13 42 43 47 47 48 47 48 47 48 47 48 47 48 47 48 48 48 48 48 48 48 48 48 48 48 48 48	Property Fd. Int. 922 1033	nity 82-86** 135 119.3 -0.6 Bord** 135 119.3 -0.6 In Yield Bord** 15.0 69.4 -1.9 In Yield Bord** 10.8 112.2 In Fd. Bord** 10.8 112.2 In Fd. Bord** 13.3 14.5 In Fd. Bord** 13.7 15.3 In Presion** 26.7 197.4 In Presion** 18.1 In Fd. Bord** 18.1 In Fd. Bord** 18.1 In Fd. Bord** 18.1 In Fd. Bord** 15.8 In Fd. Bord** 1	Sun Allianee Fund Mangert. Ltd. Sun Allianee House, Horsham. 0403 64141 Ess. Fd. Inc. Nov. 14. [C153.8 162.5] ————————————————————————————————————
Smaller Co. Exempt. 15:10 682 -0.9 287 G.T. U.S. & Gen. 17:3. U.S. & Seen. 17:3. U.S. & Seen. 17:3. U.S. & Exempt. 15:11 98.9 +0.4 3.5 G.T. Japan & Gen. 16:4. G.T. Four Vol. Part Ex. F. d. 28:5. G.T. Japan & G.T. Japan	1516 - 32 9.77 Mustral Sec. Pios 492 525 + 0.2 7.92	Wick-Ore Nov. 16 597 44.2 - 1.7; 10.2; 0.5 co. 2.0; 10.2; 10	Crusader Iosurance Co. Ltd. Vincia Hour. Tever Pl. EC3. 01-625 8031 Po. Grib. Prop. Nov. 6	Account 623 961	Managed Fund 115.5 121.6
1, Noble St., ECZV 7.1A. 10c. Monthly Fund	33.hii +0.1 5.78 National Provident tov. Magrs. 1.td. 9 48. Gracecturch St., EC3P 3HH. 01-623 4200 (01-623 6114 N.P.I. 60. Un. Te. 48.6 51.8ml - 5.90 (Account. Links) 48.6 51.8ml - 5.90	(Accum Units) 139.6 148.0 13.6 Erempt Nov. 14 104.0 109.4 10.14 (Accum, Units) 120.4 168.6 17.14	1, 7 reasonated St., ELL. 01-588 1212 Do. 1588 1212 Do. 15	(Arthur) 1025 107.7 10.0 10.0 10.0 10.0 10.0 10.0 10.	Pens. Man. Cap
Acrama Units 72.8 -1.3 12.00 Commodity Starre 27.5	73.4 - 0.1 10.58 National Westminster (a) 73.4 - 0.6 8.17 10.1 Chepsise, EC2v & EU. 71.4 - 0.6 6060 13.5 13.4 - 0.1 15.9 Enva Inc. 31.4 15.1 15.9 Enva Inc. 31.4 15.1 15.9 Enva Inc. 31.4 15.1 15.1 15.1 15.1 15.1 15.1 15.1 1	Lendon Wall Group Capital Growth	Egoity & Law (Managed Funds) List. National Road High Wycombe. 0494 33377 Ind. Pen. Equity 95 0 100.0 160	rchant Investors Assurance rc	Fixed Int. Fd. Inc
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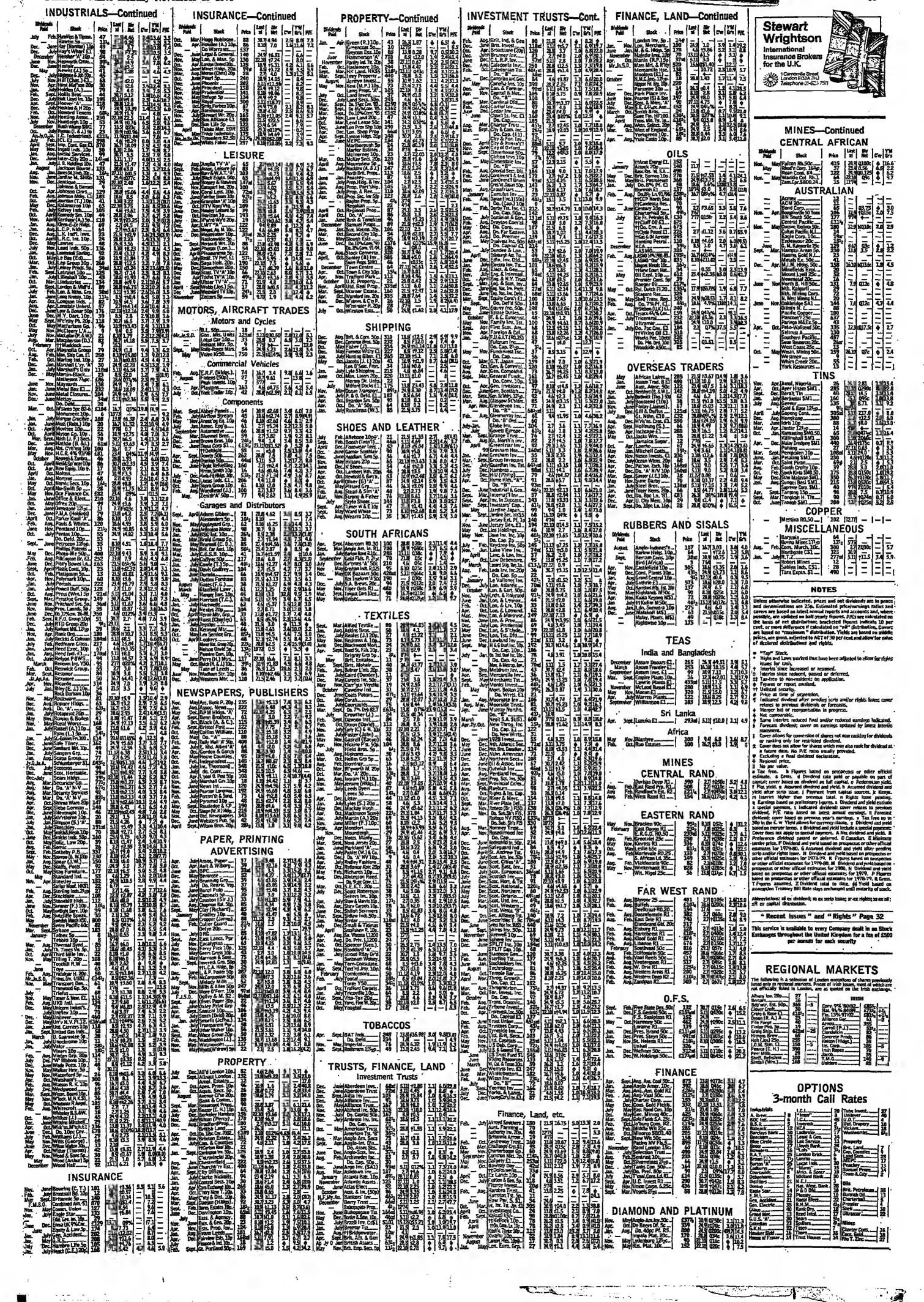
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FINANCIALTIMES

Monday November 19 1979



Bid to avert row over NEB and Rolls

By John Elliott, industrial Editor

SENIOR MINISTERS are about to mount.a concerted effort to solve the row over the National Enterprise Board's ownership of Rolls-Royce after being warned by leaders oo both sides of industry that the issue could lead to a serious rift between the TUC and the Government. the TUC and the Government. Sir Ceoffrey Howe, Chancellor of the Exchequer, and Mr. Jim Prior, Employment Secretary, have bad talks with TUC leaders aloog with Sir Keith Joseph, Iodustry Secretary. This followed Mr. Len Murray, TUC general secretary, cootacting Sir John Methyen, CBI director general to discuss

CBI director-general, to discuss the potential problems if the Government removed Rolls-Royce from the NEB and the NEB's board members then Sir Geoffrey and Mr. Prior

are especially concerned to avoid a fresh row developing with the TUC shortly before next mooth's crucial National Economic Devolopment Council meeting oo the country's econo-

mic problems.

They know that the labour law proposals now being drafted io a Bill will lead to a clash with the unions, and do not want to complicate matters at this stage with other problems. The Prime Minister has been closely involved in the minis-terial consultations and Sir Keith Joseph has come under inteose pressure to defuse a row which some of his colleagues do not consider worth while. He is to meet the NEB

either today or tomorrow for formal talks aimed at achieving a compromise this week. The plan is for Sir Frank McFad-zean, former chairman of British Airways and Shell, to become chairman of Rolls-Royce within the NEB. Sir Frank would be given a seat on the NEB board

Ministers are considering whether they could delay any major developments until next major developments until next special advantages, which in-year, by which time Sir Leslie clude good railway and road Murphy, chairman of the NEB will be approaching retirement, giving the Government fresh

By that time, further details about Rolls-Royce's financial problems may become knowo, It is thought that the aeroengine manufacturers' results for the current full year will be considerably worse than the relatively small £7m loss it re-

ported to the first balf. The Government became con-cerned about Rolls-Royce prob-Electioo and re-examined plans discussed a year or so earlier for forging a link between the company and GEC.

GEC has been involved in talks about Rolls-Royce for some years but no conclusioo bas been reached. The talks have covered ideas such as a full merger. GEC taking over Rolls-Royce's industrial gas turbine work, creating a link-up in export markets, and CEC helping to strengthen the aeroengine manufacturers' manage-

Labour law Bill plans toned down

By Christian Tyler, Labour Edito PRESSURE WITHIN the Con-servative Party for a much tougher lioe against trade union activity is being resisted by senior Ministers.

It now looks almost certain that no attempt will be made in the labour law Bill, due before Christmas, to narrow the historic immunities from civil prosecution enjoyed by trade unions when taking industrial

Senior Conservative lawyers notably Mr. Ian Percival, Solicitor-General, bave been pressing the Government to stick to its original decision to restore the immunity law to its 1974 position, when Labour's Trade Union and Labour Relations Act was temporarily amended by the Opposition.

Addressing the Conservative trade unionists conference on Saturday, Mr. James Prior, the Employment Secretary, made it plain that be is bolding in reserve the option of further legislation during the life of this-Government if it appears

politically necessary. Mrs. Margaret Thatcher appeared at the weekend to support Mr. Prior's refusal to introduce compulsory secret balloting for important union elections and strike decisions.

Conservative trade representatives had voted overwhelmingly for an amended motion whose aim was to persuade the Government to moke secret ballots compulsory.

Rhodesian troops cut Zambian rail link

Rhodesian troops destroyed a mao, oo Friday. They will give bridge on the southern route their first official response when vital to its economic survival. the conference opens its The raid, which bas oot yet been officially acknowledged in Salisbury, came in spite of ali-

a ceasefire in the guerrilla war. Zambian Covernment officials said road and rail bridges were destroyed at a point 50 miles south-west of the capital, Lusaka, cutting the maio route leading through Rhodesia to South Africao ports.

Closure of the line could also bave serious consequences for Zaire, which uses the route for two-thirds of its copper exports and brings in coal, mining supplies and food from Rhodesia and South Africa.

Delegates tn the Rhodesia Conference spent the weekeod considering Britain's outline announced the suspension of all

ourite among four old steel-working sites being studied by

the NEB, which bas abandoned

its plans to build the plant on a green field site owned by the

British Steel Corporation in

The other sites are Corby, a

second site in Hartlepool and a

further North-East steelworks. But Shotton is thought to have

A feasibility study is being

completed and a decision is

likely to be taken by the end

of this month. The plant is

expected to employ about 300

people.
The original Hartlepool site

has been abandoned after a

concerted local campaign led by

Hartlepool.

communications,

effluent disposal.

LANDLOCKED Zambia'a only ceasefire proposals, presented remaining rail link to the coast by Lord Carrington, Foreign was cut early yesterday wheo Secretary and conference chaireleveoth week today with a plenary session.

The raids into Zambla are likely to have profound econooorthern link to the Tanzanian port of Dar es Salaam.

At the same time, Zambia'a access to the east coast port of Beira was cut nff wheo three bridges on the Mozambique railway were sabotaged. This left Zambia dependent on the southern railway, running across the Victoria Falls and through Rhodesia to South Africa for both copper exports and the import of up to 200,000 tonnes of maize, urgently oeeded to avert an impending tonnes sbortage of this staple food.

Two weeks ago, Rhodesla

NEB may choose Shotton

as site for titanium plant

engines from 1982, when ICI,

which bas produced the material

for 25 years, closes lts existing

The NEB is being backed with

Government funds. The plant

will qualify for regional develop-ment grants as well as bein

plant because Sir Keith Joseph,

Industry Secretary, has insisted that the NEB should try to

replace the Government's stake

with private sector capital.

Pechiney Ugine Kuhiman of
France, which has some techni-

cal expertise in titanium and has

links with a projected U.S. pro-

doction plant, is likely to be

one partner. Talks are also in jobs."

Teesside plant.

North Wales, which faces imestates, A: a result the NEB minent closure, may be chosen by the National Enterprise Board as the site for a £20m to £30m titanium plant.

It has emerged

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

maize shipments in retaliation for President Kenneth Kaunda's cootinuing support of the Zambia-based guerrillas loyal to Mr. Joshua Nkomo, co-leader of the Patriotic Front delegation at the talks.

The raid will drastically increase the economic pressures.

increase the economic pressures on Dr. Kaunda. Copper provides more than 90 per ceof of export earnings, and delays in shipments will exacerbate an already acute foreign exchange shortage in the ailing economy. Observers in Salisbury suggested that the raid was also designed to disrupt the movement of guerrillas within Zambia towards Rhodesia before the ceasefire begins.
The Rhodesian Prime

Minister, Bisbop Abel Muzorewa returned to Salisbury yesterday to lead his Party'a election cam paign, leaving General Peter Walls, commander of the Rhodesian armed forces, to con-

tinue oegotiations in London.
The Bishop, met at the air port by a 30,000-strong crowd decounced the Patriotic Front leaders as "puppets" of Moscow

progress with other interests in West Germany and the Nether-lands.

Cash aids to boost jobs in

"I want to make it clear that

the f15m expenditure which I am asking the Welsh Development Agency to plan for is not the end of the matter." be says in an open letter to Mr. Clifford Smith, leader of the Conservation.

jobs are already in the pipeline as the result of projects already under way in the Deeside and

Wretham areas.
"But that is only the starting

point. There is £15m extra for

the Welsh Development Agency

This will help establish a sub-

stantial number of additional

the Shotton area will exceed the

Welsh Secretary says today.

Rolls-Royce with special quali-ties of titanium for its aero week, Mr. Nicholas Edwards,

from BSC Industry, whose job it tive Group on Clwyd Council is to attract new industry to Mr. Edwards refutes suggestions

run down steelworking areas. that 3.000 or so new jobs ...

Talks are in progress to next three or four years was the sum total of his statement.

Commons tomorrow BY STEWART DALBY .. MR HUMPHREY ATKINS, the

Ulster

plan for

Northern Ireland Secretary, is expected to put his promised consultative document on devolution policy in Ulster before Parliament tomorrow.

The report is understood to

The report is understood to contain about six different proposals for discussion at the Government's proposed conference of Northern Ireland, which is expected to start in the first week of December.

The proposals exclude the two extreme alternatives of the remisfertion of the two parts of reunification of the two parts of Ireland and independence for

The conference will be held, it is believed at the old Parliament buildings at Stormont, on the outskirts of Belfast. It will involve the British Government and, the Government hopes, four of the Northern Ireland political parties.

Of the four, three bave intimated they will attend. They are the Democratic Unionist Party of the Rev. Ian Paisley, the non-sectarian Alliance
Party, and the main Catholic
coostituency party, the Social
Democratic and Labour Party.
Only the Official Unionist
Party, which bas five MPs (out of a total of 12 Ulster MPs) has said it will not attend.
The attitude of the Official
Unionists is obviously a worry:
in Whitehall, but Mrs. Margaret. Thatcher is known to be per-sonally determined to get events moving in Northern Ire-

She seems to be boping that the Government will be able to overcome the problems in the Province which bave defeated other governments in the same way that it has managed to get nearer to a solution in Rhodesia than any of its predecessors. Ministers bave also heen encouraged by the response to

their ideas about devolution from people living in the province: the private and public response of politicians in Northern Ireland to new ideas can be two very different things, they argue. The Government is apparently planning to press ahtad with the

conference regardless. It hopes, perhaps, that now that the hardline Mr. Paistey has agreed to participate, the Off Unionists will come round. the Official The minimum expectation is that the conference will be able

to find some way of augmenting local government in the pro-vince. Since the devolved Parliament at Stormont was abrogated in 1972, Northern Ireland has been under direct rule.

Beneath the Secretary of State and his Ministers.
Northern Ireland has no local

government apart from 26 powerless district councils Mr. Atkins wants to find a way of providing the province with councils similar to county councils in the rest of Britain The main problem here is to be

the basis by which the proposed councils are controlled The main Unionist parties are against power-sharing. However, on a straight majority basis the Unionists would probably come

to dominate regional or local councils. This would be unacceptable to the SDLP.

Continued from Page 1

Giscard

they feel. She might also get a commitment to curb agriculture surpluses along the lines being mooted in Bonn yesterday. Provided the cash sum was not too small, Mrs. Thatcher could almost certainly persuade ber Conservative colleagues that she had scored a victory. Indeed, some members of the Government privately acknowledge that there is no realistle chance of getting the Elbn cut, and admit that they regard the figure essentially as a bargaining counter which Mrs. Thatcher has done well to hammer so A wide range of other issues

like defence and nuclear, will also be discussed by the French and British leaders during their two-day meeting. But it is gen-erally acknowledged that the question of Britain's contribution to the Community budget will dominate the proceedings.

Neither side may be prepared to make any formal concession now preferring instead to keep their options open for Dublin. But the meeting, which will also be attended by other senior Ministers on both sides, will give the leaders an opportunity to explore their negotiating positions and to establish what matters most to each other. For while there may be no formal trade-off between say,

Britain's demands on the

are dealt with.

THE LEX COLUMN

A safety net for share prices

The FT 30-Share Index has now tembled 27 per cent from the post-election high of 558.6, and dividand yields look very high measured against past levels. By the end of last week the historic yield of the 30-Share Index was around 8 per cent, while the All-Share yield had nudged above 7 per cent. With dividends this year boosted by the extra payouts following the abolition of controls in Juoe, yields are set to trols in Juce, yields are set to go even higher—up to about 8 per cent on the All-Share by the middle of 1980. Up to now there have only been two years in which the average historie

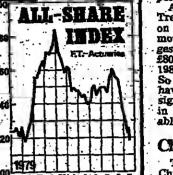
yield has stayed at this level— 1931 and 1974. Both were years of world economic crisis. of world economic crisis.

Yields are as high as this for two major reasons. Nominal returns on gilt-edged stock have moved up to levels not seen for three years, and there lis a growing feeling that after Unless some very

the exceptional 1979 dividend increases have been paid, next year's company profits will not allow further improvement on allow further improvement on any scale. Aggregate dividends will probably rise by about 25 per cent this year, inflated by the BP forecast of a 60 per cent increase and the backlog pay-ments from Shell and Unilever. However, some companies seem to have been acting cautionsly and holding back the rise in the current year's dividend in order to be sure of sustaining the level next year.

of historic yields are now re-flecting fears of a dividend cut engineering sector. On some stocks historic yields above 20 All the same, total dividends are still expected to go up next rear—though some estimates out the rise at little more than the 3 per cent recorded in 1970. Unless the outlook for 1981 starts to look blacker still, even such a small rise as this should

next year. Among the big com-panies in this class are often set in soon after the imme-courtaulds, with a yield of diate funding problem had been about 16 per cent, Dunlop, at solved.
about 17 per cent and Turner and Newall at 141 per cent.
Double figure yields appear almost to be the rule in the unable to In the autumn of 1976, per cent are indicating dividend the day that sterling traded at -will be the decisive period provide a safety net for share prices. This hope is supported by the chance that bond yields may now start falling from the after it had been lifted to 14 over the next 12 months.



peak reached on Thursday afternoon, following the rise in Minimum Lending Rate to 17

Unless some very-nasty shock is lying in wait for the gilt-edged market, the burst of fund-ing carried out on Friday is in-evitably going to lead to specu-lation about how soon interest rates can start to come down. It is possible to read into the new National Savings Issue which will not be on sale until February—official expectations of n long winter of very dear money. But the return on National Savings has been out of line before now.

The precedents suggest that It is possible that some companies in the more vulnerable rate structure may come quite sectors will find that even this soon. Even when Minimum manoeuvre will not enable them Lending Rate was linked to the to bold their dividend payout next year. Indeed, a number euthorities were forced into beav-handed penal lending to the discount market in order to It is possible that some com- some lowering of the interest the discount market in order to keep control, a decline in rates

> because of the steep fall of ster-MLR at 17 per cent, they are barely at 15 per cent). From this level beavy funding took place in MLR came three weeks later. an official plea was made for itself on its ability to make interest rate stability—a mere week after the Battle of Watling Street, and only three week after the stability as the sidiaries. Something the stability is the sidiaries of watling sidiaries.

Already the £710m call nn Treasury 13‡ per cent 2000-03 on December 5 promises tight money markets, and heavy indimoney markets, and heavy indigestion will come sooner if the
£800m of Treasury 15 per ceot
1985 is sold nut on Thursday.
So the Bank of England will
have plenty of opportunity to
signal its views by the manner
in which it makes fuods available to overcome the shortages.

Chrysler UK The latest financial data from

The latest mancial tata how chrysler UK shows how periloua a path the company has to follow over the next two years. The taxpayers handout under the 1976 agreement has disappeared almost without trace into a gaping hole in the profit and loss account, and the company now has to rely entirely on the continued support of its new owner, PSA Peugeot-Citroen.

In 1979, the UK company could easily lose £40m, of which £10m will be funded equally by the taxpayer and Peugeot through the final grant under the revised 1976 agreement. By now, the company has probably also drawn down in full the £55m of loans provided by the Government under the same agreement.

This year's losses will wipe out the remaining net assets in the business, which amounted to under £15m last December. At that time total debt was £147m, of which £102m was made up of bank loans and overdrafts—all guaranteed by Peugeot. Borrow-ings must be measurably higher now, and in the first six months of 1979 finance costs repre-sented over 3 per cent of sales. Pengeot's cash flow totals around FFr 4bn a year, or about

£450m, and its impassive reaction to the recent industrial parest in the UK company has confirmed that it is not going to ling, the gilt-edged market was be panicked by financial presumable to find a secure hase sures in the short term. It has until two weeks after MLR had been raised to 15 per cent. On —rather than the current year long yields touched for the future of the old 164 per cent (whereas now, with Chrysler companies in Europe. The Spanish and French operations are now more or less under control The UK business and the first of a series of cuts with its antiquated plant and poor productivity, is seen as the

Treasury's economic forecasting role in policy-making defended

THE ROLE of economic fore- Treasury's forecasters. casting and medium-term analysis in policy-making bas been defended by Sir Douglas Wass, the Permaoent Secretary to the Treasury, following recent political scepticism about

His remarks, in a private speech last week to the Society of Long-Range Planners, come while the work of the Treasury's large forecastiog side is being re-examined at the request of Mioisters. Sir Douglas appears more sympathetic to the continuation

of such work than either Sic Geoffrey Howe, the Chancellor, or Mr. John Biffen, the Chief Secretary to the Treasury, since they have publicly stated their doubts about the usefulness of convectional ecocomic projectioo:.
The speech, shown to the

Chancellor before delivery, is carefully worded, partly no doubt to avoid the controversy which followed Sir Douglas's lest speech oo economic management in February 1978. The remarks nonetheless

represent a reasoned defence of forecasting. This reflects not only his personal view but also tense debate within presumably, by implication, a Treasury. desire to defend the profes-sional competence of the medium-term projection might

Sir Douglas coocentrated on medium-term analysis and argued that it would be misguided to stop this work merely because of the breakdown of previously dependable economic

relationships and increased uncertainties in recent years. He said that if such work there would be no broad guide or framework to which we could relate economic decisions running into the future. -Sir Douglas maintained that. in spite of the sbocks of the 1970s, analytical techniques might be improved and medium-

a bigher degree of reliability. "At the very least, I submit that it would be premature to abandon the attempt." He also disclosed that current internal work in the Treasury on a possible medium-term finaocial plan suggests that it may be theoretically possibly to formulate and achieve a medium-term path for a limited number of financial variables.

term projections might achieve

are currently the subject of in-

He declined to discuss the prac-

tical and political aspects which

be a rather dangerous and misleading coocept. A range of analyses should be used as a basis only for a broad guide to policy and not as a single sign-

While aligning himself with those who welcome more open-oess in Government, Sir Douglas was cautious about the publication of medium-term assessment. This reflected donbts both about the possibly misleading nature of highly nu-certain projections and about the poteotially destabilising impact of forecasts on the behaviour of wage bergainers,

Sir Douglas noted that there is no legal compulsion to publish medium-term assessments, and he added that "if Parliament were to go down this path, we would, I think have to reflect a good deal on bow we should present our work."
Sir Douglas made his comments, coincidentally, just
before this week's publication of the latest short-term fore-casts which statutorily have to appear at least twice a year. These projections were to have been disclosed tomorrow bu are now likely to be published later in the week Glits bullish, Page 4, Lombard Page 16

Weather

UK TODAY DRY and bright at first. Cloudy

with occasional rain later. London, S.E. England, Cent. S. . England, E. England Bright at first. Occasional rain later. Max. 10C (50F).

W. Midlands, N.W. England, S.W. Scotland Cloody and dry at first. Rain later. Max. 9C (48F).

S.W. England, Wales

Occasional rain. Drier later. Max 10C (50F).

Isle of Man, Argyll, N.W. England, Ulster Clondy with rain. Beco drier. Max. SC 48F.

Cent. N. England, Borders, Aberdeen, Glasgow, Cent. High-lands, N.E. Scotland Dry and bright Rain later. Tax. 9C (47F).

Onflook: Mild in the South. Cloudy with rain in the North WORLDWIDE



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Foreign exchange reform planned

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

BANKS operating in London. will be able to deal directly with each other for all foreign exchange from January noder a deal io an advanced stage of negotiation with money brokers and the Bank of England. Bankers predict this will improve the London money mar-

bank business conducted outside the UK. The scheme may also allow money brokers to deal directly with commercial companies, a feature to which large banks are strongly opposed.

ket and bring back moch inter-

London must transact all their UK foreign exchange through money brokers recognised by the Bank. They can deal with each other directly for currency deposits and business done out-

side London. Money brokers maintain that in return for all this business they gave up the right many years ago to deal with commer cial companies.

Now that banks want to change the rules, money brokers maintain that they should be free to deal directly with companies on foreign exchange.

Under existing rules banks in They believe the Bank of England accepts this view, but are concerned that the larger banks will refuse to accept business for commercial names via

Mr. David Barber, a geogral manager with Midland Bank and chairman of the British Bankers' Association's loreign exchange committee, said last week that there was no intention by the big London banks to accept commercial names. That was the unanimous view of his committee. A free-for-all, and resulting commission war, could do great damage.